



# ***Daily Report***

---

## **East Asia**

FBIS-EAS-93-099  
Tuesday  
25 May 1993

# Daily Report

## East Asia

FBIS-EAS-93-099

### CONTENTS

25 May 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### INTER-ASIAN AFFAIRS

Further Reportage on PBEC Congress in Seoul .....	1
ROK President Gives Keynote Speech [Seoul TV] .....	1
ROK Foreign Minister Speaks [Seoul YONHAP] .....	3
Malaysia's Mahathir Gives Address [Kuala Lumpur International] .....	3
Committee Urges End to Farm Subsidies [Seoul YONHAP] .....	3
Taiwan Opposes PRC's Membership [Seoul YONHAP] .....	4

#### NORTHEAST ASIA

##### Japan

Hayashi Holds News Conference on U.S. Talks [KYODO] .....	5
Net Foreign Assets Increase 34 Percent in 1992 [KYODO] .....	5
Construction Leader Strikes Back at U.S. [KYODO] .....	5
Miyazawa: ROK President 'May' Visit U.S. [KYODO] .....	6
Budget Committee Debates Cambodian Involvement [KYODO] .....	6
Direct, 'Triangular' Aid Considered [KYODO] .....	7
Miyazawa Urges KR To Support Peace [KYODO] .....	7
Ministry Official Supports Efforts in Cambodia [KYODO] .....	7
Russia's Gaydar: Dispute Solution Needs Majority [KYODO] .....	8
Tokyo, Moscow Prepare for Far East Consulates [KYODO] .....	8
Tokyo, Moscow Discuss Nuclear Disarmament Panel [KYODO] .....	9
Muto Denies Pressure for Permanent UNSC Seat [KYODO] .....	9
Arrest Warrants Obtained for Hijackers' Wives [KYODO] .....	9
Hosokawa Urges Miyazawa 'To Tackle' Reform [Tokyo TV] .....	10
SDPJ Proposes Opposition Summit Meeting [KYODO] .....	10
Further on SDPJ Proposition [KYODO] .....	10
Watanabe, Opposition Leaders Comment on Reform [Tokyo TV] .....	11
'Projection': LDP Unchallenged by Reform Plan [KYODO] .....	11
Foreign Minister Muto's Assets Reported [KYODO] .....	12
Trade Minister Holds News Conference on Economy [KYODO] .....	12
MITI: Commercial Sales Down 4.2 Percent [KYODO] .....	12
Central Bank Says Economy Remains 'Stagnant' [KYODO] .....	13
Commission Chairman Cited on Tax Reform Goals [KYODO] .....	13
Bank of Japan Reshuffles Top Management [KYODO] .....	13

##### North Korea

Anniversary of Anti-Japanese Victory Noted [KCNA] .....	14
Daily Criticizes UN for Yielding to Big Power [Pyongyang Radio] .....	14
Liaison Officials Sent To Deliver Letter [Pyongyang Radio] .....	16
Premier's Report on Proposal [KCNA] .....	16
Further on Proposal [Pyongyang Radio] .....	16
Daily Stresses Importance of Party Work Method [Pyongyang Radio] .....	17
People Urged To Have Faith in Socialism [Pyongyang Radio] .....	19
Daily Views Call for Acceleration [Pyongyang Radio] .....	20
Report on Increase in 1993 Egg Production [KCNA] .....	22
Shoe Production Increases in First Quarter [KCNA] .....	23



## South Korea

Further on DPRK's Nuclear Treaty Withdrawal .....	23
DPRK Said To Propose 2 Jun U.S. Talks [Seoul Radio] .....	23
North Proposes 31 May Meeting With South [YONHAP] .....	23
DPRK Businesses Said Ready for Reversal [CHOSON ILBO 25 May] .....	24
Japan's Nakasone Cites Kim on Issue [Tokyo KYODO] .....	24
'Analysis' on Possible North-South Talks [THE KOREA HERALD 22 May] .....	25
Report Catalogs 'Unfair' U.S. Import Practices [CHOSON ILBO 23 May] .....	25
Malaysia's Mahathir Continues Visit to Seoul .....	27
Urges Broader Investment [Kuala Lumpur BERNAMA] .....	27
Further on Investment [YONHAP] .....	27
Philippines' Ramos Continues Visit to Seoul .....	28
Hopes for Close Economic Ties [YONHAP] .....	28
Countries Sign Extradition Treaty 25 May [YONHAP] .....	28
Air Force, Navy Chiefs of Staff Promoted in Rank [YONHAP] .....	28
Ministry Issues Permits for New Radio Stations [YONHAP] .....	28

## SOUTHEAST ASIA

### Burma

Khin Nyunt Leaves for Singapore 24 May [Rangoon Radio] .....	29
Home Minister Leaves for Bangladesh 22 May [Rangoon Radio] .....	29
Foreign Minister Returns From Philippines Visit [Rangoon TV] .....	29
Inauguration Ceremony Held for PRC-Burma Road [Rangoon Radio] .....	29
Arts, Information, Delegation Returns From PRC [Rangoon Radio] .....	30
38 'Terrorist Insurgents' Return to Legal Fold [Rangoon TV] .....	30
378 More Refugees Repatriated From Bangladesh [Rangoon Radio] .....	31

### Brunei, Malaysia & Singapore

#### Malaysia

Defense Minister, PRC Minister Discuss Spratlys [BERNAMA] .....	31
Minister: PNG To Consult Malaysians in Forestry [BERNAMA] .....	31
Commentary Hopes for Better PNG Economic Ties [Kuala Lumpur International] .....	31
Commentary Hails Second National Car Project [Kuala Lumpur International] .....	32
Editorial Urges Acquisition of Technical Expertise [NEW STRAITS TIMES 21 May] .....	32

#### Cambodia

Hun Sen Hints at Coalition With Non-Khmer Rouge [Tokyo TV] .....	33
Votes in Kompong Cham [Phnom Penh Radio] .....	33
Ranariddh Confident of Winning 60% of Seats [Bangkok THE NATION 25 May] .....	33
Son Sann Demands SNC Replace Ieng Mouly [AFP] .....	34
Opposition Party Leadership Split Emerges [AFP] .....	35
Voter Turn-out Tops 70% by 3d Day of Elections [AFP] .....	35
KYODO Exit Poll Shows FUNCINPEC Leading [Tokyo] .....	35
Akashi Declares Poll 'Great Success' [Tokyo KYODO] .....	36
Says Transition Force Pull-out on Schedule [Tokyo KYODO] .....	37
UN Closes Polling Station After Shelling [AFP] .....	37

#### Indonesia

Daily Views Cambodian Election Situation [Jakarta Radio] .....	37
Reportage, Commentary on Rebel Leader's Trial .....	37
Gusmao Sentenced to Life [Jakarta Radio] .....	37
UN Denies Influencing Trial [AFP] .....	38
Gusmao To Seek Clemency [AFP] .....	38
Alatas, Parliamentarian Comment [Jakarta Radio] .....	39
Daily Views Trial [Jakarta Radio] .....	39
E. Timor Commander: Unemployment 'Main Problem' [TEMPO 10 Apr] .....	39

#### Laos

Interview Denies Thai Allegations on Annexation [Vientiane Radio] .....	40
Thai Defense Minister Arrives for 3-Day Visit [Vientiane Radio] .....	41
Activities Reported [Vientiane Radio] .....	41
Thai Minister Meets President, Premier [Vientiane Radio] .....	41



Vientiane Delegation Departs for Beijing, Kunming [KPL] .....	41
Oudomsai Provincial Delegation Visits SRV [Vientiane Radio] .....	41
Premier Sets Fees To Be Charged on Tax-Free Goods [Vientiane Radio] .....	42
Chaleun Yipaoheu Views Assembly Achievements [Vientiane Radio] .....	42
Correction to Somsavat To Visit Thailand .....	42

#### Philippines

Editorial Salutes Success of Cambodian Elections [THE MANILA CHRONICLE 25 May] .....	43
Ramos Speaks on Decision To Revamp Police [Manila Radio] .....	43
Armed Forces Revamp Said To Clip Chief's Powers [THE MANILA CHRONICLE 22 May] .....	45
NUC Proposes MNLF Choose Talks Site in Country [Manila Radio] .....	45
Ramos Okays Proposal [Manila Radio] .....	45
MILF 'Closely' Monitoring Government-MNLF Talks [Manila Radio] .....	46
Moro Rebel Arrested for Train Station Bombings [PHILIPPINE DAILY INQUIRER 23 May] ....	46

#### Thailand

Security Chief Believes UN Capable in Cambodia [Bangkok TV] .....	46
Chuan, Prasong Comment on Cambodian Situation [Radio VOFA] .....	46
Paper Alleges Laos Plans To Annex Northeast [SIAM RAT 7 May] .....	47
Prime Minister Makes Official Visit to Brunei [Bangkok Radio] .....	48
Calls on Sultan [Bangkok Radio] .....	49
Returns From Visit 23 May [Bangkok TV] .....	49
Government 'Squabbles' Eroding Public Faith [THE SUNDAY POST 23 May] .....	49
Uthai Plans ASEAN Meeting Before APEC [THE NATION 25 May] .....	50
Textile Association Head Comments on AFTA [THE NATION 24 May] .....	50
'Rich' Nations Asked To Help Repatriate Laotians [Bangkok Radio] .....	51
Consultations Held With SRV on Rice Exports [BANGKOK POST 22 May] .....	51
Unions Plan 'Worldwide Boycott' of Kader Toys [BANGKOK POST 21 May] .....	51
Government To Sue Factory Owner; Executives Charged [BANGKOK POST 22 May] .....	52
Labor President: Factory Worker 'Scapegoat' [THE NATION 24 May] .....	53
Doctors Find No Injuries on Factory Worker [THE NATION 25 May] .....	54

#### Vietnam

Prime Minister Vo Van Kiet Arrives in New Zealand [VNA] .....	54
Russian Delegation Arrives in Hanoi 24 May [Hanoi International] .....	55
Army Daily Discusses Businessmen's Trip to United States [Hanoi Radio] .....	55
Justice Minister Receives French Counterpart [VNA] .....	55
Commentary Views Reaction to Cambodian Elections [Hanoi International] .....	56
Government, Thailand To Cooperate in Rice Marketing [Hanoi International] .....	56
Cabinet Minister Says 2,000 State Firms Face Closure [AFP] .....	56
Vinacontrol Private Company Developing 'Rapidly' [VNA] .....	56
Government Denies Senior Buddhist Monk Arrested [AFP] .....	57

### AUSTRALASIA

#### Australia

Government Presses UK To Clean Up Maralinga [Melbourne International] .....	58
Correction to Canberra, Wellington To 'Push' .....	58

#### Fiji

Premier Asks Cabinet To Resign for Reshuffle [Melbourne International] .....	58
--	----

#### New Zealand

Refugees Protest Vietnamese Premier's Visit [AFP] .....	58
Forestry Industry Announces Record Earnings [AFP] .....	58



## Further Reportage on PBEC Congress in Seoul

### ROK President Gives Keynote Speech

SK2405022893 Seoul KBS-1 Television Network in  
Korean 0050 GMT 24 May 93

["Keynote speech" by ROK President Kim Yong-sam at the opening session of the 26th Congress of the Pacific Basin Economic Council, in Seoul on 24 May—live]

[Text] [applause] Esteemed Chairman Ku Pyong-hoe; [Philippine] President Ramos; [Malaysian] Prime Minister Mahathir; representatives from each country, and ladies and gentlemen:

I am pleased that the 26th Congress of the Pacific Basin Economic Council [PBEC] is being held in Seoul. Representing the ROK Government and people, I sincerely welcome your visit to the ROK.

I thank the Organizing Committee and personages concerned for having made efforts so that the current congress can be held successfully.

Since its founding in 1967, the PBEC has made a great contribution to promoting civilian-level cooperation and exchange among the countries in the Pacific region.

At a time when a new global order is being formed and the central pivot of the world economy is being transferred to the Asia-Pacific area, economic cooperation in this region has become more important than ever before. This means that the role of economists and businessmen, who are gathered here, is becoming more important.

Distinguished guests from home and abroad, the global order is undergoing rapid changes unprecedented in history for the last 10-odd years.

The cold war system, which caused confrontation and tension for half a century in the past, and ideological confrontation are disappearing to the backstage of history.

Dignity of mankind, multisided democracy, and the free market economic system begin to take their place firmly as common values of mankind.

The world should now work out a new framework for freedom, coexistence, and coprosperity. However, it appears that this work is not easy at all.

There still exists the ground for new discords and conflicts in the world. National disputes are taking place in many parts of the world. Indications are that regionalism is being expanded and trade disputes among the states are increasing.

Moverover, in the course of accepting the market economic system after freeing themselves from the controlled economic system of the past, the old socialist countries are experiencing a great deal of difficulties.

To make the 21st century an era of peace and prosperity, we should sagaciously resolve such civilian disputes, conflicts among the states, and the contradiction of old systems.

We should become aware of such a transitional situation. We should establish a new world view. We should pay deep attention to new challenges and chances. Man grows up and matures through his own reflection and innovation. Likewise, a state, as well, should be born again through change and reform. We should challenge change and risk bravely. We should take advantage of these changes and risks. This is why many countries in the world are reforming their state affairs and seeking a new diplomacy to cope with their future.

Distinguished guests: In the ROK, a civilian, democratic government was inaugurated last February for the first time in 32 years under the banner of creating a new Korea through change and reform. This conference is the first large-scale international meeting since our new government was inaugurated. Therefore, I believe that its international significance is great.

Today, I would like to take this opportunity to reveal my opinion on the direction of my new government's foreign policy and the ROK's role in the international order.

The new government will pursue a new diplomacy in its external policy. The new diplomacy is a diplomacy attaching importance to the universal value of mankind, including democracy, freedom, welfare, and human rights. That is to say, the new diplomacy is an active diplomacy based on morality.

The ROK will turn its eyes wider to the world and the future. The era of single-lined diplomacy [tansonjokin oegyosidae] which directs only toward specific regions has ended. We will pioneer the new era of open, wider diplomacy which covers the entire world as the stage of its activity.

We will make greater efforts to greet a brighter next century, crossing the 20th century dotted with disputes and conflict. Toward this end, we will actively participate in solving various global matters of concern, including arms control and the eradication of poverty. We will also pursue security cooperation within the Asia-Pacific region. With the United States as a pivot, we will further deepen and develop the security system between the two countries. At the same time, we will establish the foundation of durable regional peace by promoting dialogue for multilateral security in the Asia-Pacific region.

I firmly believe that by creating a new order of coexistence and coprosperity we will be able to achieve a most democratic and prosperous Asia-Pacific region in the 21st century.

Distinguished guests from home and abroad, and ladies and gentlemen:



ROK diplomacy has been kept in the bondage of North-South competition since national division. Now, the competition has come to an end. Our "new diplomacy" is mindful of the management of the situation under the present national division, the realization of North-South reunification, and the situation after North-South reunification for the future of the entire Korean nation.

Europe is moving toward peace, prosperity, and democratization through a regional integration process. Similarly, many countries in the Asia-Pacific region should free themselves from isolation, participate in the open, new economic and security order, and thus expedite democratization and prosperity. This new global order provides us with an opportunity for reunification that our nation desires.

Reunification will be achieved through gradual and peaceful steps. The reunified fatherland of one nation and one state will be built through the steps of reconciliation and cooperation and then the North-South confederation. In an effort to accomplish such a reunification goal, our new government will pursue coexistence, coprosperity, and the nation's welfare based on the people's voluntary consensus.

We by no means want to see North Korea isolated from international society. Therefore, North Korea should make opportunities to participate in international society by resolving the nuclear issue. If North Korea squarely participates in the international society and enhances the nation's self-respect and interests, this will be a pride to us. Based on the spirit of coexistence, coprosperity, and the nation's welfare, we proposed to North Korea last week that the contact of delegates to the North-South high-level talks delegation be held.

The primary responsibility for protecting and upgrading the life and rights of the nation and people rests with the government authorities. North Korea should responsibly resolve the nuclear issue and all other related issues through dialogues between the persons in authority. We urge North Korea to change their thinking, turn their eyes to the Pacific era of peace and prosperity beginning with resolution of the nuclear issue, and join in our efforts.

If it does so, North Korea will get an opportunity to develop its economy. We will actively help North Korea participate in peace of the Asia-Pacific region and enter into the economic order within the region.

With the approach of the hopeful and promising 21st century, all countries in this region are competing to develop their countries in the future. To keep with their development competition, North and South Korea must therefore maintain peace and cooperate with each other.

North and South Korea are no longer competing parties. They must become companions in promoting prosperity for all Korean people as well as for the people in the rest of the Asia-Pacific region.

Since 40 years of the country's division, there has never been any other good period except this time when an international climate favorable to peaceful settlement and national reunification is created. If we do not use this opportunity, history will abandon us forever. Our people, who have undergone many difficulties and trials in history, must not miss such an opportunity which the 21st century promises.

We will contribute to maintaining peace and prosperity in the era of the Pacific by promoting North-South relations based on the new outlook of national reunification.

Ladies and gentlemen,

Today the ROK economy nears the entrance to the advanced nations. The ROK will actively push ahead with its market opening and internationalization. In particular, it will relax restrictions on foreign investment, accelerate the opening of the financial market, and strengthen the protection of intellectual property rights. As a result, it will significantly improve the climate favorable to foreign business activities in the country.

In the position of middleman, the ROK will also promote much more close cooperation with the developing countries in this region by actively transferring its development skill and technology. It has already played a leading role in developing the Asia-Pacific Economic Cooperation Council. Also, it is positively participating in the conference of the current Asian-Pacific Basin Economic Council.

As part of further developing cooperation among the countries within the region, I support holding summit talks among the countries in Asia and the Pacific. For this end, the ROK will continue cooperation in the future with other countries in this region.

The Taejon International Exposition slated for August this year in the ROK is the first one recognized by the world among the developing countries. This will be therefore a good opportunity for us to show our will to the world that we will carry out internationalization and the market opening.

Ladies and gentlemen,

We live now in an era in which the meaning of borders among countries is being deleted. You are just businessmen who are creating a new opportunity and potential, transcending the meaning of border among nations. In preparation for the 21st century, you are the main forces who are creating the new history for peace and prosperity in the world. In this respect, I cannot but stress once again the importance of the Pacific Basin Economic Cooperation Council, a cooperation council among businessmen.

In conclusion, I sincerely hope, with you, that the Seoul conference, as a meeting of the promotion for true and



mutual cooperation among the countries in this region, will obtain a good result in its work. I also expect that it can successfully end.

### **ROK Foreign Minister Speaks**

*SK2405073193 Seoul YONHAP in English 0531 GMT 24 May 93*

[Text] Seoul, May 24 (YONHAP)—South Korean Foreign Minister Han Sung-chu called Monday [24 May] for a long-term regional security dialogue among Northeast Asian nations similar to the Conference on Security and Cooperation in Europe for confidence building, arms control and dispute settlement.

"Over the long run, as much as European nations enhanced their security, economic prosperity, and democracy through the process of political and economic integration, East Asian countries could also secure peace and prosperity through the process of integration into such forums as APEC [Asia-Pacific Economic Cooperation] and ASEAN-PMC [postministerial conference]," Han told a luncheon for participants in the 26th general meeting of the Pacific Basin Economic Council.

The Asia-Pacific region needed to "pay closer attention to the regional security environment, including how best to preserve and sustain stability" in order to sustain regional economic prosperity, he said.

Bilateral security arrangements led by the United States had been the "fundamental matrix for regional security and will continue to play the most important role in determining and guaranteeing regional security," he said.

Han, touching on the Asia-Pacific economic order, said: "We can discern two potentially opposing forces that will determine the direction of the Asia-Pacific economic order: one that favors a single pan-Pacific economic community and the other that may entail the division of the Pacific into subregional economies."

Warning that the North American Free Trade Agreement (NAFTA) and ASEAN free trade area possess "an intrinsic danger of becoming inward-looking" though they "have pledged to be GATT consistent," Han said NAFTA, with its assurances of not becoming a customs union and not having a common currency, nor a common economic policy, would respond affirmatively to the question of "whether open regionalism can be a new basis for globalism."

Stressing economic inter-dependence between the two shores of the Pacific, he said the greater export volume of East Asian nations to North America than to Japan "explains the characteristics of this trans-Pacific economic connection."

East Asia had two realistic options of shaping its new economic order, strengthening the global free trade regime and reinforcing the trans-Pacific connection, Han said.

"Given that the GATT global free trade regime is our first preference, we in the Asia-Pacific should concentrate on the successful conclusion of the Uruguay Round (multilateral trade negotiations) before the end of this year."

### **Malaysia's Mahathir Gives Address**

*BK2505084693 Kuala Lumpur Voice of Malaysia in English 0600 GMT 25 May 93*

[Text] Western nations have been told not to keep East Asia out of the plan of a new world order for free global trade. To do so is to prevent East Asian countries from contributing their vast knowledge and skills which they have accumulated. [Malaysian] Prime Minister Datuk Sri Dr. Mahathir Mohamed said this at a meeting of top business executives and government officials from the Asia-Pacific region held in Seoul.

He pointed out that East Asian countries had proven their ability to accept and adjust the new systems and to benefit from them. Western countries should not prevent them from coming together and contribute to the globalization process. He also said no one would lose from the formation of the East Asia Economic Caucus. The world could gain from it. East Asia must be made to feel secure. Others should not threaten the region. As such, East Asian countries must try for economic interdependence, integration, and cooperation. This will serve as an example to the world of open regionalism. It is also in the interests of the East Asia to secure direct foreign investment, capital flow, technology know-how, entrepreneurship, and modern management from every corner of the world.

### **Committee Urges End to Farm Subsidies**

*SK2405024793 Seoul YONHAP in English 0143 GMT 24 May 93*

[Text] Seoul, May 24 (YONHAP)—The special agriculture committee of the Pacific Basin Economic Council (PBEC) has agreed to send a four-point statement to the General Agreement on Tariffs and Trade (GATT) urging the immediate rescission of non-tariff barriers, government subsidies for farm goods and market opening.

Despite Korea's strong opposition, the statement is likely to be accepted in the closing session on Wednesday [26 May].

The secretariat of PBEC, a private economic organization that has met annually since 1968 in Sydney, said that the agriculture statement did not have binding force.

More than 20 countries, including 14 member countries, are taking part in the 26th PBEC conference in Seoul. The three-day plenary session began Monday.

Secretariat countries met for 10 special committee, board of directors and steering committee meetings over the weekend before the plenary session.



The agriculture committee Sunday drew up a statement calling for tariffication of all non-tariff barriers and removal of tariff walls within 10 years, rescission of subsidies within five years, transferring subsidies to immediate profit guarantees, and revision of GATT provisions to ban political-purpose agriculture exports. The statement is to be sent to GATT.

Korea made it clear that it could not agree to the provisions but they were approved in a majority vote and forwarded to the plenary session, said Kwak Mansun, Korean delegate to the working-level talks and a researcher at the Korea Economic Research Institute.

If the statement is ratified by the general meeting, it will be included in the closing declaration and notified to GATT as an official PBEC position.

Agriculture exporters, Australia, New Zealand, Canada and the United States were the aggressive supporters of the statement, while Japan showed a reluctant attitude, Kwak said.

The special committee on overseas investment agreed to draw up a report on investment environments of member countries, decided during the May 1992 Vancouver meeting, before the steering committee meeting in Hawaii in October.

The in-depth study of investment environments after issuance of the report will take place in the 27th PBEC general conference in Malaysia.

The committee did not get to the problem of jointly investing in development of Subic Bay in the Philippines and the far eastern region of Russia.

It had to delay its decision on accepting China and Colombia as members because of antagonism between China and Taiwan and Colombia's sudden change of its chairman.

#### **Taiwan Opposes PRC's Membership**

SK2405073093 Seoul YONHAP in English 0554 GMT  
24 May 93

[Text] Seoul, May 24 (YONHAP)—The Pacific Basin Economic Council (PBEC) Secretariat is said to be beating its brains out over the problem of accepting China as a member because of strong opposition from

Taiwan on the one hand and China's blocking its entry to the Asia-Pacific Economic Cooperation [APEC] on the other.

PBEC was scheduled to discuss China's application for membership at a steering committee meeting Sunday [23 May], but failed to because of a strong reaction from long standing member Taiwan.

The matter is hoped to be capped in the next steering committee meeting, presided over by international PBEC Chairman Ku Pyong-hoe, on Wednesday, the last day of the Seoul conference.

A China-Taiwan confrontation was foreseen in the beginning of Sunday's working-level talks over naming the two countries. Taiwan has attended the annual meetings of the private economic council as "Chinese member committee in Taipei" since its entry in 1982.

Based on its one-China policy, Beijing insists Taiwan represent itself as "Chinese Taipei" or "Taipei."

Taiwan, feeling isolated with its growing loss of international standing, jumped on the idea and was determined not to be pushed around by China in a private organization, a secretariat official said.

Although it lacks participating rights, Taiwan's representative attended the strategic committee meeting before the steering committee talks to reconfirm its opposition.

In the steering committee meeting, Taiwan raised a committee clause that says "newly entering countries cannot violate interests of existing member countries" to block China's entry.

But the matter is not simple for the PBEC secretariat because China stands in the way of its ultimate hope to raise its international voice by taking part in APEC as an observer, the official said.

In the past APEC high-level talks, China said it could not tolerate PBEC entry without its admission to PBEC, he said, adding that PBEC had no choice but to work toward accepting China.

A negotiating term that the PBEC has in mind is to keep Taiwan's current name while titling China a "China member committee." It hopes to persuade the two antagonists that whatever the content, the labels were different with one "Chinese..." and the other "China..."

Whether Taiwan will accept such proposal and whether China will still insist on conditioning its entry with "Taipei" will only be revealed in the next round of talks.



## Japan

### Hayashi Holds News Conference on U.S. Talks

OW2505042393 Tokyo KYODO in English 0132 GMT  
25 May 93

[Text] Tokyo, May 25 KYODO—Japan and the United States will hold informal financial talks Tuesday in Washington and both “general and reciprocal” issues will be discussed, Finance Minister Yoshiro Hayashi said Tuesday. Speaking at a regular press conference, Hayashi said the two countries will exchange views on financial problems debated under the Uruguay Round of multilateral trade talks.

Japanese financial sources have said the two sides will also discuss liberalization of Japan’s financial market, such as facilitating foreign access to pension management, insurance business and corporate debt underwriting.

Referring to Japan’s net external assets that jumped 34 percent to a record 513.62 billion dollars in [words indistinct] of runner-up Germany’s 333.9 billion dollars, Hayashi said the increase of assets is not “a bad thing” although there may be some problems if global assets are concentrated in particular areas.

He attributed the rise to the boost in Japan’s current account surplus. The data was released Tuesday morning.

Hayashi said Monday’s decision by authorities to liquidate financially crippled Kamaishi Shinkin Bank—a credit association in Iwate Prefecture—was made on a “case-by-case” basis and does not necessarily serve as a model for similar cases that may arise in the future.

The important thing is to protect depositors and avoid a credibility crisis, the finance minister said.

### Net Foreign Assets Increase 34 Percent in 1992

OW2505002993 Tokyo KYODO in English 2345 GMT  
24 May 93

[Text] Tokyo, May 25 KYODO—Japan’s net overseas assets in 1992 ballooned 34 percent from the year before to a record 513.62 billion dollars, the Finance Ministry reported Tuesday, attributing most of the increase to the soaring current account surplus.

The revised current account surplus for 1992, released simultaneously, came to 117.55 billion dollars, slightly down from the preliminary 117.62 billion dollars but eventually soaring 44.65 billion dollars or 61 percent from 1991.

Total assets climbed 28.72 billion dollars to 2,035.24 billion dollars, while aggregate liabilities declined by 101.83 billion dollars to 1,521.62 billion dollars. The net external asset is the difference between the total asset and debts.

According to latest available data, Germany’s net assets abroad totaled 333.9 billion dollars in June 1992, while debts were larger than its assets for the United States at the end of 1991 by 360 to 380 billion dollars, depending on methods of calculation.

Asked to comment on the prominence of Japan’s net assets, a Finance Ministry official said the figures back the growing surplus.

The official voiced strong concern about the issue but said he does not think it will lead to any “negative influence” directly on economic conditions of foreign countries such as hurting their employment conditions.

Japan’s private direct investment overseas increased 16.27 billion dollars to 248.06 billion dollars, while securities investments gained 23.36 billion dollars to 655.49 billion dollars.

Meanwhile, private direct investments in Japan by foreigners rose 3.21 billion dollars to 15.51 billion dollars, but securities investments dropped 12.40 billion dollars to 431.42 billion dollars.

One of the features of the 1992 statistics is the reduction of short-term debts in the private sector stemming from position adjustments by banks and liquidation of foreign assets. Private monetary debts shrank by 118.84 billion dollars to 684.68 billion dollars.

Atsushi Miyawaki, senior economist of the Japan Research Institute, said the figures show that Japanese financial institutions, domestically suffering from appraisal losses stemming from the burst of the “bubble” economy, are trying to liquidate their risky overseas assets while they are still profitable.

But he expressed concern that such liquidation of debts may appear to outsiders as Japan being unable to efficiently recycle its surplus.

Miyawaki, predicting that position adjustments by banks are likely to continue for the time being, suggested that Japan further facilitate direct private investments overseas as well as boost official loans to foreign countries. In particular, he called for improving not only the quantity but also the quality of such measures.

### Construction Leader Strikes Back at U.S.

OW2505150693 Tokyo KYODO in English 1430 GMT  
25 May 93

[Text] Tokyo, May 25 KYODO—A leader of Japan’s construction industry on Tuesday struck back at the United States over its criticism of Japan’s system of awarding public works contracts.

Teruzo Yoshino, chairman of the Japan Federation of Construction Contractors, told a press conference that Japan’s bidding system for public works projects is neither unfair or nontransparent. “It’s not good reasoning to say the Japanese system is not transparent



simply because it is different from the U.S. system," said Yoshino, who is also chairman of the major construction company Shimizu Corp.

The U.S. method for selecting contractors for public works has its own problems, he said, citing the difficulty in ensuring project quality.

Under Japan's "designated bidding" system, builders seeking public works contracts must be certified by a local or national government as qualified tenderers. Under the U.S. system, by contrast, any company that claims it will meet the required job specifications can participate in the bidding.

Critics of the U.S. system say public works projects in the U.S. are plagued by sloppy construction by companies that have won contracts for projects that are beyond their technological capabilities.

Responding to the criticism that Japan's "nontransparent" bidding system hinders U.S. companies' entry into the Japanese market, Yoshino said the problem is not one of inequity of the Japanese system. The U.S. construction companies have not established a solid presence in the Japanese public works market, "not because the Japanese system is "nontransparent" but because it is an area which is difficult for foreign companies to enter in any country," he said.

#### **Miyazawa: ROK President 'May' Visit U.S.**

*OW2505042093 Tokyo KYODO in English 0333 GMT 25 May 93*

[Text] Tokyo, May 25 KYODO—South Korean President Kim Yong-sam is expected to go to the United States before coming to Japan, Prime Minister Kiichi Miyazawa said Tuesday.

Miyazawa told reporters he believes Kim wants to come to Japan but may go to the U.S. first to see President Bill Clinton. He made the comment after meeting a 14-member South Korean parliamentary delegation led by Kim Yun-hwan, member of the majority Democratic Liberal Party.

In the meeting, Kim Yun-hwan told Miyazawa that the South Korean president is hoping for an early meeting with him, but is very busy attending to domestic reforms. A Foreign Ministry official who briefed reporters on the session quoted Miyazawa as saying he also hopes for an early summit with Kim.

Kim Yong-sam assumed office February 25, succeeding No Tae-wu. He is South Korea's first civilian president in 32 years.

The delegation from the (South) Korea-Japan Parliamentarians' Union is in Japan through Friday on a five-day visit to attend an annual meeting with Japanese counterparts.

#### **Budget Committee Debates Cambodian Involvement**

*OW2505102693 Tokyo KYODO in English 0954 GMT 25 May 93*

[Text] Tokyo, May 25 KYODO—Prime Minister Kiichi Miyazawa on Tuesday spurned an opposition legislator's demand to empower a commander of Japanese peacekeepers in Cambodia to order troopers to shoot back if attacked.

Miyazawa was responding to a parliamentary interpellation by Saburo Tsukamoto, former chairman of the Democratic Socialist Party, at a session of the House of Representatives Budget Committee. Tsukamoto urged the government to kill a legal provision banning the contingent's commander from ordering peacekeepers to shoot back in self-defense.

The Peacekeeping Cooperation Law authorizes an individual peacekeeper to open fire in self-defense without awaiting an order from the commander.

The Budget Committee was debating Japan's involvement in United Nations peacekeeping operations in Cambodia after the killing of a Japanese policeman in an ambush in early May triggered controversy over Japan's role in Cambodia. Miyazawa said that if the government allowed peacekeepers to collectively counterattack in hostile situations it might amount to illegal use of force, which is banned by the Constitution.

Miyazawa called on the Khmer Rouge to cooperate with a new Cambodian Government that will be formed after general elections now under way. The prime minister said the future of the Cambodian peace process depends on how the Khmer Rouge reacts to results of the election, which began Sunday and ends Friday.

Miyazawa said he doubted the Khmer Rouge "will have a bright future if it remains a guerrilla force. I hope they will think carefully before they act." He said it is not clear how the Khmer Rouge will be involved in rebuilding Cambodia.

The Khmer Rouge, one of four warring factions in the war-torn country, has refused to disarm and take part in the election, although individual guerrillas have.

Japan dispatched 600 engineers of its Self-Defense Forces (SDF) to Cambodia last October after it enacted the Peacekeeping Cooperation Law allowing the dispatch of SDF personnel overseas on peacekeeping missions for the first time since World War II.

Chief Cabinet Secretary Yohei Kono told the committee that 41 Japanese election monitors will return home after they complete their duties on June 11. Kono suggested the term of the U.N. Transitional Authority in Cambodia, which expires September 15, may be extended or a new organization established depending on the nature of the new government.



### **Direct, 'Triangular' Aid Considered**

*OW2505131493 Tokyo KYODO in English 1259 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Japan will negotiate with the United Nations peacekeeping mission in Cambodia to move up the scheduled date for Japanese policemen to return home, the top government spokesman said Tuesday [25 May].

Chief Cabinet Secretary Yohei Kono said, "After the election, if the situation permits, we want to talk with the U.N. Transitional Authority in Cambodia (UNTAC) so that Japan's civilian policemen can return home before their duties expire on July 13."

On May 4, Haruyuki Takata, one of 75 Japanese policemen in the U.N. mission, was killed in an ambush by an unidentified armed group in Ampil, near the Thai border. Four other Japanese policemen and five Dutch marines were injured.

Kono made the remarks at a session of the House of Representatives Budget Committee, which held an intensive debate on Japan's cooperation in the U.N. operations in Cambodia.

Prime Minister Kiichi Miyazawa told the committee Japan will support Cambodia as part of its assistance to the Indochinese region after UNTAC ends its mission. "I will consider not only direct aid (to Cambodia) but also triangular aid through surrounding nations," Miyazawa said.

Miyazawa also backed international cooperation, saying, "We want to rebuild Cambodia by combining the powers of member countries of the international committee on the reconstruction of Cambodia."

Kono suggested earlier in the same session that UNTAC's term, which expires September 15, may be extended or a new organization set up depending on the government formed after the ongoing general election.

Miyazawa called on the Khmer Rouge guerrilla faction to cooperate with the new government. He said the future of the Cambodian peace process depends on how the Khmer Rouge reacts to election results.

Miyazawa said he doubts the faction "will have a bright future if it remains a guerrilla force. I hope they will act after considering carefully." He said it is not clear how it would be involved in rebuilding Cambodia.

The Khmer Rouge has refused to disarm and participate in the election, the first in 21 years, which is due to end Friday. According to UNTAC, over 85 percent of about 4.76 million registered voters cast ballots during the first three days despite Khmer Rouge threats to violently disrupt the poll.

### **Miyazawa Urges KR To Support Peace**

*OW2505054793 Tokyo KYODO in English 0508 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Prime Minister Kiichi Miyazawa called on the Khmer Rouge [KR] to cooperate with a new Cambodian Government to be formed by the general election now under way. Miyazawa made the call at a session in the House of Representatives Budget Committee.

The prime minister said the future of the Cambodian peace process depends on how the Khmer Rouge reacts to results of the election, which began Sunday and ends Friday.

Miyazawa said he doubted the Khmer Rouge "will have a bright future if it remains a guerrilla force. I hope they will act after considering carefully." He said it is not clear how the Khmer Rouge will be involved in rebuilding Cambodia.

The Khmer Rouge, one of four warring factions in the war-torn country, has refused to disarm and participate in the election.

The Budget Committee was debating Japan's participation in United Nations peacekeeping operations in Cambodia.

Japan dispatched 600 members of its Self-defense Forces (SDF) to Cambodia last October after it enacted the peacekeeping cooperation law allowing the dispatch of SDF personnel overseas on peacekeeping missions for the first time since World War II.

The killing [of] a Japanese policeman in an ambush in early May triggered controversy over Japan's role in Cambodia.

Chief Cabinet Secretary Yohei Kono told the committee that 41 Japanese election monitors will return home after they complete their duties on June 11.

Kono suggested the term of the United Nations Transitional Authority in Cambodia, which expires September 15, may be extended or a new organization may be established depending on the nature of a new government.

### **Ministry Official Supports Efforts in Cambodia**

*OW2505085493 Tokyo KYODO in English 0808 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Japan should take the lead in rebuilding Cambodia's infrastructure and overhauling its financial system, a senior Foreign Ministry official said Tuesday. The official, speaking on condition of anonymity, said the Cambodian people's hope for a better future after this week's election will be dashed if the international community fails to take prompt action to ensure Cambodia's economic viability. He warned of



hyperinflation and general economic chaos which could aggravate the country's unstable political situation.

The official said Japan is the only country that can really make a major difference, much more so than the United States, France and countries in the region around Cambodia.

Specifically, the official urged the early convening of the international committee on the reconstruction of Cambodia to coordinate medium- and long-term assistance. The mechanism, which is to be chaired by Japan, was originally scheduled to hold its first meeting in either Tokyo or Paris prior to the holding of the election.

It was endorsed at an international ministerial conference last June in Tokyo on the rehabilitation and reconstruction of Cambodia.

#### **Russia's Gaydar: Dispute Solution Needs Majority**

*OW2505115493 Tokyo KYODO in English 1137 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Russia cannot resolve a decades-long territorial dispute with Japan until more than half the public backs such an agreement, former acting Russian Prime Minister Yegor Gaydar said Tuesday.

Opinion polls have shown that 75 percent of Russians oppose resolving the dispute over four islands off Hokkaido.

"Democratic politicians cannot ignore three-quarters of the voters," Gaydar, an economic adviser to President Boris Yeltsin, told a lecture hosted by ruling Liberal Democratic Party (LDP) legislators. Improving relations with Japan is important for Russia, but in light of the decline of the president's power and the hard line adopted by legislators, any advances by Moscow would probably worsen the domestic crisis, Gaydar said.

"That is the current political reality," Gaydar said in response to a query about Yeltsin twice postponing visits to Japan. Ken Harada, an LDP legislator, told Gaydar he did not think Yeltsin could open a "new era" of bilateral relations unless he offers something new when he arrives in Tokyo.

Yeltsin is scheduled to come during the July 7 to 9 annual summit of Group of Seven major economic powers, but is not expected to broach the territorial dispute. He abruptly canceled a visit last September, citing domestic problems, but later accusing Japan of inflexibility on the return of the islands seized by Soviet troops at the end of World War II. In April Yeltsin said he wanted to visit Japan in late May, but again withdrew.

Gaydar told the audience of conservative legislators that both Japanese and Russian politicians must work to turn around Russian public opinion. "Japan's attitudes and

strategy are a major factor. Unfortunately, our people have not sufficiently grasped the situation," Gaydar said.

The 37-year-old economist suggested that Japan help turn around Russian popular opinion by providing "people-level" assistance to small and medium-sized businesses.

Gaydar agreed with a questioner who suggested that China's moves toward a market-oriented economy have been more successful than Russia's attempts. He attributed China's achievement to its 15-year effort, compared to 15 months for Russia, and the ability of the authoritarian government to enforce its policies.

Gaydar predicted that in the wake of the pro-reform outcome of a referendum last month, the election for Congress of the People's Deputies, which sought to strip Yeltsin's power, would be moved up to this fall or next spring.

Gaydar said that basic political issues remain unresolved, such as whether Russia will proceed with a market economy or revert to the old economic system, and whether it will ally itself with industrialized nations or "countries like Iraq." "What we must not fail to link economic reform and democracy," Gaydar said, adding there is no future for authoritarian rule in Russia.

A key architect of Russia's free-market economic reforms, Gaydar is in Japan at the invitation of a group of LDP parliamentarians and the Foreign Ministry. A reformist who pursued unpopular policies such as freeing prices, and carrying out mass privatization, Gaydar lost his post as acting premier last December in a clash between Yeltsin and the conservative congress on the future of reforms.

#### **Tokyo, Moscow Prepare for Far East Consulates**

*OW2505043293 Tokyo KYODO in English 0314 GMT  
25 May 93*

[Text] Moscow, May 25 KYODO—Russia and Japan have entered the final stages of talks aimed at establishing a Russian consulate in Niigata and Japanese consulates in Vladivostok and Khabarovsk, sources said Tuesday.

An agreement on the consulates was scheduled for signing during a proposed visit to Japan by Russian President Boris Yeltsin in September last year, but the visit was canceled.

The sources said the two countries decided to proceed with the agreement in an attempt to improve bilateral diplomatic and economic relations, further strained by a second cancellation of a Russian presidential visit to Japan in July.

The sources said the Vladivostok consulate would eliminate the need for the present one in Nakhodka, some 100 kilometers southeast of Vladivostok.



The Japanese Government has already provided for the establishment of the two consulates in this year's budget and expects to announce the timing of their opening before Yeltsin visits Tokyo in July for talks with leaders of the Group of Seven major powers, the sources said.

Russia plans to send a group of officials to Japan to pave the way for the setting up of the consulates and discussions are under way on some form of Japanese financial backing for the delegation because of Russia's economic problems, the sources said.

### **Tokyo, Moscow Discuss Nuclear Disarmament Panel**

*OW2505105793 Tokyo KYODO in English 1001 GMT 25 May 93*

[Text] Tokyo, May 25 KYODO—Japan and Russia have started discussing the establishment of a bilateral committee that will administer 100 million dollars in grants from Japan to help Russia get rid of nuclear weapons and waste, government sources said Tuesday.

Tokyo wants the denuclearization committee to take up work by June, prior to the July 7 to 9 Tokyo summit of the Group of Seven (G-7) major industrialized nations, they said. The committee will focus on technological cooperation to build nuclear waste storage sites and reprocessing facilities in Russia.

Russia cited the lack of storage and reprocessing facilities on land or delay in their construction as reasons it continued nuclear dumping at sea. Moscow said the dumping of liquid radioactive waste, such as coolants from nuclear reactors or rocket fuel from intercontinental ballistic missiles, will continue at least until 1997. The rockets will be destroyed in large numbers over several years in accordance with disarmament agreements.

The committee will work out concrete projects to enhance Russia's storing and reprocessing capacity to put an end to the radioactive pollution of the sea. It also will decide Japan's share in financing the different measures.

All projects will be financed through the 100 million dollar aid package Prime Minister Kiichi Miyazawa announced at a G-7 foreign and finance ministers meeting in April in Tokyo.

Decades-long dumping of radioactive substances in the seas close to Japan was disclosed only recently in a Russian Government report, adding another controversial issue to Russia-Japan relations already strained by an unresolved territorial dispute.

The report said nuclear waste was dumped into the Sea of Japan, the Sea of Okhotsk and an area southeast of Kamchatka from late 1959 to 1992. Two nuclear reactors also were dumped in the sea of Japan, the report said.

Japan and Russia agreed in a first two-day joint working group session from May 11 to 12 in Moscow to carry out a joint survey to investigate the impact of nuclear waste dumping on the marine environment. They also agreed to speed up exchange of data and reports concerning nuclear dumping at sea.

### **Muto Denies Pressure for Permanent UNSC Seat**

*OW2505043393 Tokyo KYODO in English 0251 GMT 25 May 93*

[Text] Tokyo, May 25 KYODO—Foreign Minister Kabun Muto said Tuesday Japan is not pressuring to become a permanent member of the U.N. Security Council [UNSC].

"As foreign minister I have never been pressuring (other member states) that we become a permanent U.N. Security Council member. It would need an amendment of the U.N. Charter and that's not an easy thing to do," Muto told reporters after a regular cabinet meeting.

Muto made the comment in reaction to remarks by Chinese Foreign Minister Qian Qichen on Monday expressing caution about Japan's aspirations to get a permanent seat on the council.

Qian told Japanese reporters in Beijing, "I think all United Nations member states must be consulted. This is not a problem that can be resolved in a short time." He met the reporters ahead of his four-day visit to Japan starting Saturday.

Muto said he does not intend to take up the matter "officially" when meeting Qian for talks Saturday.

Qian, also a vice premier, is scheduled to come to Tokyo from a visit to South Korea. He will meet separately with Prime Minister Kiichi Miyazawa.

The 15-nation council has five permanent members, all of which are victorious powers of World War II and have veto power. Besides China they are Britain, France, Russia and the United States. At present Japan holds one of the 10 rotating seats for a two-year term.

### **Arrest Warrants Obtained for Hijackers' Wives**

*OW2205074893 Tokyo KYODO in English 0728 GMT 22 May 93*

[Text] Tokyo, May 22 KYODO—Investigators searched several Tokyo locations Saturday after obtaining warrants of arrest for five Japanese women living in Pyongyang who married former Red Army members suspected of having hijacked a Japan Airlines (JAL) airliner 23 years ago, police said.

The women are suspected of violating the passport law for neglecting a 1988 Foreign Ministry order to return their passports to the ministry, the police said. The ministry ordered the return of the passports as it suspected the women had contacted North Korean agents abroad, they said.



A group of nine Red Army extremists are suspected of having hijacked a JAL Boeing 727 airliner with 122 passengers and a crew of seven over Mt. Fuji in March 1970 on a flight from Tokyo to Fukuoka. The hijackers flew the airliner to Seoul and released the passengers, and then flew to Pyongyang where they defected.

### **Hosokawa Urges Miyazawa 'To Tackle' Reform**

*OW2405145393 Tokyo NHK General Television Network in Japanese 0305 GMT 22 May 93*

[From "NHK News" program]

[Text] Speaking at a news conference in Hiroshima today, New Japan Party Representative Morihiro Hosokawa referred to the political reform issue, which is the focus of attention in the current political situation. He stressed that Prime Minister Miyazawa should urgently come to grips with a political reform compromise plan between the ruling and opposition parties.

Touching on remarks made yesterday by Ichiro Ozawa, a member of the Liberal Democratic Party's [LDP] Hata faction and former LDP secretary general, calling for Prime Minister Miyazawa's leadership in carrying out political reform, Hosokawa said: Since the current Diet session is drawing to a close, realization of political reform is questionable unless Prime Minister Miyazawa demonstrates his leadership. I hope that Prime Minister Miyazawa will resolve to tackle this issue.

In this way, Hosokawa stressed that Prime Minister Miyazawa, under his own responsibility, should urgently create a climate for both the ruling and opposition parties to reach a compromise on political reform.

Hosokawa added: If Prime Minister Miyazawa fails to carry out political reform, he may be pressed to take responsibility. The prime minister should make efforts to carry out political reform in a visible, intelligible way.

In this way, Hosokawa hinted that it is possible he would press Prime Minister Miyazawa to take responsibility if he fails to carry out political reform.

### **SDPJ Proposes Opposition Summit Meeting**

*OW2405095693 Tokyo KYODO in English 0836 GMT 24 May 93*

[Text] Kyoto, May 24 KYODO—The head of Japan's No. 1 opposition Social Democratic Party [of Japan] (SDP) [SDPJ] on Monday proposed convening a summit meeting of leaders of six noncommunist political parties to thrash out a compromise over electoral reform efforts.

SDP Chairman Sadao Yamahana, speaking at a news conference here, said the parties should form a preparatory committee for possible political alliance and seek interparty cooperation in elections under a fresh electoral system. At present, the governing and opposition political parties are at odds over the course of political reform efforts, with three different electoral reform plans

proposed—one jointly submitted by the governing Liberal Democratic Party, another jointly by the SDP and Komeito and another by a private council.

The six opposition parties for the opposition summit are the SDP, Komeito, the Democratic Socialist Party, the United Social Democratic Party, the Democratic Reform Party (formerly Rengo Sangiin) and the Japan New Party.

### **Further on SDPJ Proposition**

*OW2405132493 Tokyo KYODO in English 1233 GMT 24 May 93*

[Text] Kyoto, May 24 KYODO—The leader of Japan's No. 1 opposition Social Democratic Party [of Japan] (SDP) [SDPJ] on Monday proposed holding a summit meeting of heads of six noncommunist opposition parties this week to hammer out a compromise over electoral reform efforts.

"As a first step (toward political reform), leaders of opposition parties should reaffirm their resolve before jointly demanding a summit meeting with the leader of the LDP (Liberal Democratic Party)," SDP Chairman Sadao Yamahana told a news conference in Kyoto. The six opposition parties for the opposition summit are the SDP, Komeito, Democratic Socialist Party, United Social Democratic Party, Democratic Reform Party (formerly Rengo Sangiin) and the Japan New Party.

He also said it is possible that the parties could reach a compromise on the basis of two separate electoral reform schemes—one jointly proposed by the SDP and the No. 2 opposition Komeito, and the other presented by a private council.

While the SDP-Komeito joint plan proposes a mix of proportional representation system with a limited single-seat system for a general election, the council scheme calls for the establishment of both single-seat and proportional representation systems. The LDP plan seeks the replacement of all current multi-seat constituencies with single-seat ones.

The private council, the Committee for Promotion of Political Reform, unveiled its reform scheme in April to narrow differences between the LDP proposal and the joint plan by the SDP and Komeito.

Under any of the three proposed systems, the number of seats of the powerful lower house would be reduced to 500 from 511.

Yamahana also said the six opposition parties should form a preparatory committee for a possible political alliance and seek interparty cooperation in elections under a fresh electoral system. He said political reform efforts should be completed during the current parliamentary session ending June 20, but added he would understand if the Diet had to extend its sitting term for a brief period.



**Watanabe, Opposition Leaders Comment on Reform**

OW2505003593 Tokyo NHK General Television Network in Japanese 1000 GMT 24 May 93

[From "NHK News" program]

[Text] Former Foreign Minister Michio Watanabe held a meeting this afternoon with officials of the Liberal Democratic Party (LDP), including Deputy Secretary General Koichi Kato, at a hospital where he is receiving medical treatment. At the meeting, Watanabe said there will not be sufficient time for the passage of electoral reform bills during the current Diet session. He added that if this turns out to be the case, the parliament should at least enact measures to stop political corruption, including a plan designed to make political funds transparent.

Deputy Secretary General Kato explained, among other things, how far parliament has gone in discussing political reform bills. In reply, Watanabe said that there will not be enough time for the LDP to review its policy on electoral reform and that this makes compromise with the opposition parties difficult. He also said that the general public is interested in the issue of politics and money more than electoral reform. He said that what we urgently need now are measures, including plans to make it clear how politicians collect and spend their political contributions, to stop political corruption. He then said there will not be sufficient time for the passage of electoral reform bills during the current Diet session. He added that if this turns out to be the case, it is important to establish measures designed to prevent corruption.

Social Democratic Party of Japan (SDPJ) Chairman Sadao Yamahana told reporters that he will try to form a consensus among the opposition parties on the political reform issue. He said that he plans to discuss the matter with his counterparts from Komeito, the Democratic Socialist Party (DSP), the United Social Democratic Party, the Japanese Private Sector Trade Union Confederation, and the Japan New Party by the end of this week. Yamahana said that after this meeting, he will ask the LDP leader to hold a meeting with his counterparts from the opposition parties. Yamahana also said that he will start meetings with other opposition parties to talk about the possibility of cooperating with each other in order to form a preparatory council for formation of a coalition government and to jointly support 300 candidates in the next lower house election.

DSP Chairman Keigo Ouchi said that since there is not much time left, the leaders of the governing and opposition parties should display leadership to reaffirm their commitment to the realization of political reform. In this way, he explained his view that the leaders of the LDP and opposition parties should hold a meeting as soon as possible to settle the matter.

**'Projection': LDP Unchallenged by Reform Plan**

OW2205123593 Tokyo KYODO in English 1222 GMT 22 May 93

[Text] Tokyo, May 22 KYODO—Japan's ruling Liberal Democratic Party would maintain its current strength in parliament if a general election were held under a private political reform proposal, according to a projection compiled by KYODO News Service. The proposal calls for introducing both single-seat and proportional representation systems in the House of Representatives.

KYODO's projection also showed that opposition parties would secure almost the same number of seats currently held in the powerful lower house if the electoral reform plan unveiled by a private council were adopted for a general election.

To make the estimate, KYODO applied the number of votes obtained in the last two House of Councillors' proportional representation elections to a lower house poll under the proposal by the committee for promotion of political reform.

The council, composed of business, labor and media leaders, proposed cutting the number of lower house seats to 500 from 511, with 300 legislators elected through the single-seat system and the remaining 200 through proportional representation.

The dominant Liberal Democratic Party (LDP), which has led Japan for most of the postwar period, would gain 286 seats in the lower house and the No. 1 opposition Social Democratic Party [of Japan, SDPJ] (SDP) 91 seats if the results of the 1992 upper house election were applied, the projection showed. The LDP fared well in last year's poll.

The two parties currently hold 274 and 141 seats each in the lower house.

The private council plan emerged in April in a bid to bridge the gulf between LDP-proposed electoral reform bills and a jointly submitted SDP-Komeito plan. It is intended to ensure all existing political parties basically retain their current strength in the lower house.

If the results of the 1992 upper house election were applied to a general election under the LDP scheme seeking the replacement of all current multiseat constituencies with single-seat ones, the LDP would grab 458 seats, or 92 percent, of the proposed 500-seat chamber.

The conservative, pro-business LDP garnered 33 percent of the votes cast for the last upper house election.

As for opposition parties, the SDP and Komeito, the No. 2 opposition force, would win 17 seats each and the fledgling Japan New Party (JNP) would gain eight.

Two other major opposition parties, the Japanese Communist Party and the Democratic Socialist Party, would lose their seats under the LDP plan. By contrast, the SDP



would gain 420 seats, the LDP 80, and other forces none in a lower house election if the 1989 election results were used.

The SDP scored a landslide victory in the poll, making the LDP lose its majority control in the second chamber, due to the LDP's introduction of a 3 percent consumption tax and the personal popularity of then SDP chairwoman Takako Doi.

The leading opposition party claimed 35 percent of votes in the election, compared with the LDP's 27 percent.

With the adoption of the SDP-Komeito proposal calling for dividing the nation into 12 blocs and 200 single-seat constituencies for a lower house election, the LDP would win only 202 seats, or 40 percent, of the lower house and lose its dominance in the chamber if the 1992 election results were applied.

The JNP, which collected eight percent of the votes in the last upper house election, is projected to gain 42 seats. The party, established in May 1992, won four seats in last year's poll but has no seats in the lower house.

The joint proposal by the SDP and Komeito calls for electing 200 legislative seats through the single-seat system and the remaining 300 through a proportional representation system. It favors smaller parties and is expected to lead to a politically unstable coalition government.

Under the plan, the SDP would gain 203 seats and the LDP would win 155 seats provided the 1989 election results were applied to a general election. With the application of the same election's results, the projection showed the SDP would win 272 seats and the LDP 158 if the private council plan were adopted.

The estimate also showed the SDP-Komeito electoral reform plan could cause the number of election winners to surpass the 500 ceiling.

#### **Foreign Minister Muto's Assets Reported**

*OW2505142493 Tokyo KYODO in English 1156 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Foreign Minister Kabun Muto on Tuesday put his personal assets at about 1.23 billion yen in terms of current market values, making him the third richest man in the cabinet of Prime Minister Kiichi Miyazawa.

Miyazawa's second cabinet publicized total assets held by its 21 members and their families in January. Muto's announcement covers assets held as of April 7, when he replaced his ailing predecessor, Michio Watanabe. Chief Cabinet Secretary Yohei Kono topped the list when in January he estimated his personal assets at 12.4 billion yen, followed by Hajime Funada, director general of the Economic Planning Agency, who ranked second with 1.5 billion yen.

Miyazawa ranks seventh with assets of 730 million yen.

Combined with the 36.68 million yen in assets held by his wife, Muto's total wealth was placed at some 1.27 billion yen.

"I may have mixed up public and private money while serving as a legislator for 30 years," Muto said. "When money was necessary for political activities, I personally borrowed some and funneled it (to political organizations). Maybe I should try to draw a line more clearly between public and private money."

Muto's declared assets do not include a 280 million yen office in central Tokyo. His secretary said the office was purchased after Muto took the foreign minister portfolio.

Cabinet ministers have been required to declare all personal assets such as real estate, deposits, securities, antiques and golf club memberships since 1984 as part of government efforts to prevent political graft.

#### **Trade Minister Holds News Conference on Economy**

*OW2505042693 Tokyo KYODO in English 0237 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Trade Minister Yoshiro Mori said Tuesday Japan's economy may start recovering in the July-September quarter.

The minister of international trade and industry told a news conference after a regular cabinet meeting. "It may not be in the April-June quarter but in the July-September quarter when we can see the economy bottom out."

He said the pace of recovery in production is slower than that of inventory adjustment, judging from recent industrial production figures. "There may be little hope of the economy bottoming out in the April-June period," he said.

Mori also expressed concern about recent higher long-term interest rates in the bond market. "Higher interest rates could pour cold water on the economy, which is just about to turn upward," he said.

#### **MITI: Commercial Sales Down 4.2 Percent**

*OW2505110393 Tokyo KYODO in English 0901 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Japan's commercial sales have declined continuously for the past year and a half, an unprecedentedly long losing streak, a government report showed Tuesday.

The Ministry of International Trade and Industry (MITI) report said commercial sales in the first three months of this year declined 4.2 percent from a year earlier to 164,711 billion yen. The decrease, following a 5.3 percent drop in the October-December period, marks



the sixth consecutive quarterly fall, something never before seen since the ministry launched the statistics in 1953.

Wholesale sales accounted for 132,424 billion yen of the overall figure, down 4.3 percent for the sixth quarter of straight decline. Retail sales also fell for the fourth quarter in a row, shrinking 4.0 percent to 32,287 billion yen.

Ministry officials, commenting on the report, said the downward trend mirrors the slowdown of the entire economy and projected further slides in the coming months. "We cannot say commercial sales have hit bottom yet," a ministry official said.

Despite some economic bright signs that emerged recently, like an apparent recovery in industrial output, the officials were downbeat, expecting that adverse factors such as falling prices of popular products will negate their boosting effects.

#### **Central Bank Says Economy Remains 'Stagnant'**

*OW2505120793 Tokyo KYODO in English 1110 GMT  
25 May 93*

[Text] Tokyo, May 25 KYODO—Domestic demand continues to be stagnant, with consumer and corporate capital spending remaining dull and the labor market still easing, the Bank of Japan (BOJ) reported Tuesday.

As a result, the central bank said in its monthly economic report there is no change in its recent view that Japan's economy remains in an "adjustment phase." But the bank said the nation's economy "is nearly at the bottoming-out phase, and some signs of recovery have been partly observed," encouraged by somewhat better housing investment and exports.

It said vast public works spending under the government's pump-priming programs continues to serve as a powerful engine.

On personal consumption, the BOJ said the situation "as a whole remains sluggish" in light of slower household income growth. But a senior BOJ official said despite a major drop in car sales in April, there are signs of the decline easing, and similar views can be applied to part of the electrical appliances sector.

The central bank predicts a steep fall in corporate plant and equipment spending in the April-June period, in contrast to a healthy advance in the first quarter that was largely due to concentration of orders prior to the end of fiscal 1992 in March. Consumer and corporate capital spending account for a large part of Japan's economic output.

Lower interest rates and a slight return in demand for homes has led the BOJ to believe housing investment is on the road to recovery, but it cautioned that the growth in February and March was "unusually high" because of some fiscal year-end seasonal factors.

The central bank said wholesale prices are generally softer, while the rise in consumer prices is becoming increasingly moderate. The senior BOJ official said some influence of the yen's appreciation against major currencies is beginning to be reflected in wholesale prices.

The bank maintained its view that growth in money supply is moderately increasing.

Referring to the recent climb of long-term interest rates, the official said that the market is gaining confidence about an economic recovery. But he said the higher rates do not necessarily meet with the reality of present economic conditions, and too wide a gap will hinder a recovery.

The official said the slowdown is more complex to analyze compared with past recessions since consumption has been hard hit. He said he would be focusing on that factor as the primary indicator in judging whether conditions have begun to improve substantially.

#### **Commission Chairman Cited on Tax Reform Goals**

*OW2405115793 Tokyo KYODO in English 0647 GMT  
24 May 93*

[Text] Tokyo, May 24 KYODO—The proposed sweeping tax reform to be studied by a government advisory council is aimed at eliminating public perceptions of unfairness, according to the council's chairman.

Kan Kato, chairman of the Tax Commission and professor of Keio University in Tokyo, told KYODO News Service that the studies will focus on the progressive scale system of the income tax. Kato said the studies will cover a proposal to introduce a taxation system that combines income from interest, dividends and stock sales with other forms of income.

The commission agreed May 14 that income tax cuts be considered part of reforms to correct the imbalance of taxes on income, consumption and assets. A proposed increase in the consumption tax, which stands at 3 percent, will be the "final issue" to be taken up by the council, Kato said.

He also said the proportion of national, local and social security payments to national income should not increase. Kato indicated that his commission will study reforms for the social security system, saying it requires more cost-cutting efforts.

#### **Bank of Japan Reshuffles Top Management**

*OW2405053693 Tokyo KYODO in English 0457 GMT  
24 May 93*

[Text] Tokyo, May 24 KYODO—The Bank of Japan (BOJ) announced Monday a top management reshuffle, promoting International Department Director Akira Nagashima to executive director.



Operations Department Director Takayuki Kamoshida succeeded Nagashima, and Tadaie Yamashita will replace Kamoshida. Yamashita was the international department's adviser to Central Bank Governor Yasushi Mieno.

Personnel Department Director Kiyoshi Teramoto was named director of the issue department, whose present director, Koichi Takada, was appointed as an executive auditor.

International Department Deputy Director Keiji Matsuda succeeded Iwao Takamuki, director of the public relations department, who moved to Hokkoku Bank, a Kanazawa-based regional bank, as executive vice president.

Executive Director Mikio Wakatsuki retired from the central bank to head the Sumitomo Bank-affiliated Japan Research Institute.

### North Korea

#### Anniversary of Anti-Japanese Victory Noted

SK2305091893 *Pyongyang KCNA in English* 0845 GMT 23 May 93

[Text] Pyongyang, May 23 (KCNA)—A Yanggang provincial meeting was held in Samjiyon County Saturday to commemorate the 54th anniversary of the victory in Musan area battle organized and commanded by the great leader President Kim Il-song.

In a report at the meeting Yi Kil-song, chief secretary of the Yanggang provincial party committee and chairman of the Yanggang Provincial People's Committee, noted that the Musan area battle in May 1939 was of great significance in winning the victory in the heroic anti-Japanese revolutionary struggle and achieving the liberation of the country, and a historical battle brilliantly shining on the road of accomplishing the revolutionary cause of *chuche*, the reporter added.

He said at a time when the dark clouds of national distress were hanging heavily over the territory of the country owing to the ever intensifying repression, plunder and nation-obliterating moves of the Japanese imperialists against the Korean people, the great leader put forward the wise policy of advancing the main unit of the Korean People's Revolutionary Army into the Musan area in order to open a new phase for national liberation.

Commanding the unit in person, the great leader crossed the Amnok River and reached the Chong Hill on May 18, 1939 and marched along the guard road of the enemy in broad daylight and annihilated at one stroke a large unit of the Japanese imperialists with tactics of decoy and ambush in the Taehongdan plain on May 23, he noted.

Saying the victory in the Musan area battle was a brilliant result of the great strategic and tactical policy and wise guidance of President Kim Il-song, the ever-victorious iron-willed brilliant commander, and a historical event which demonstrated the invincible might of the Korean People's Revolutionary Army, the reporter stressed the need to carry forward to completion the revolutionary cause of *chuche* pioneered by him through generations.

Another commemoration meeting took place in Taehongdan County.

#### Daily Criticizes UN for Yielding to Big Power

SK2205122693 *Pyongyang Korean Central Broadcasting Network in Korean* 0020 GMT 22 May 93

[NODONG SINMUN 22 May special article: "The United Nations Should Not Become a Tool of the Big Power's Tyranny"]

[Text] Using international organizations, the imperialists have recently begun strengthening maneuvers to infringe upon another country's sovereign rights. A good example of this occurred on 11 May, when the United States made the UN Security Council adopt an unreasonable resolution against us because our country withdrew from the Nuclear Nonproliferation Treaty (NPT).

Our withdrawal from the NPT is not an issue to be discussed at the UN Security Council, nor can the Security Council adopt some kind of resolution. There is no regulation in the UN Charter that stipulates that member countries of an international treaty cannot withdraw from a treaty, nor is there a regulation that can make a member country's withdrawal from an international treaty an issue. Joining or withdrawing from an international treaty is each country's sovereign right.

Our withdrawal from the NPT is a self-defensive measure stemming from the abnormal situation in which the country's supreme interest is being gravely infringed upon because of the nuclear threat from the United States. It was done in accordance with the rights clearly regulated in Article 1, Paragraph 10 of the NPT. Therefore, there is no appropriate international law nor justification for making our NPT withdrawal an issue for discussion at the UN Security Council.

Finding fault with our NPT withdrawal, and then discussing it at the UN Security Council and adopting some kind of resolution completely violates the UN Security Council's purpose and function.

The dear leader Comrade Kim Chong-il has pointed out: The United Nations was originally an international organization established for the purpose of maintaining and consolidating the world's peace and security; peacefully mediating international disputes; and developing friendly relations among countries.



The United Nations is an international organization whose main purpose is to maintain and consolidate international peace and security through its member countries' collective actions. The United Nations' function of maintaining international peace and security is handled primarily by the UN Security Council. The Security Council is the only UN organ that can take collective forcible action, which may be needed to fulfill its function of restraining acts of aggression and threats against peace.

The UN Security Council has power not given to any other organ, including the UN General Assembly and the Secretariat. However, it must adhere to maintaining international justice and world peace and security, which is in conformity with the demand of the UN Charter.

Nevertheless, the United States fabricated an issue about nuclear suspicion toward our republic, a peaceful non-nuclear state, and dragged it to the UN Security Council, thus making it adopt an unreasonable resolution. This runs counter to the UN Charter and the Security Council's mission. This unreasonable act runs completely counter to the UN Security Council's mission, which is to defend international justice and peace.

We did not withdraw from the NPT to threaten world peace and security. Rather, it is a positive measure for self-defense. The adoption of an unreasonable resolution against us by the UN Security Council makes it look as if our republic, the victim of their nuclear suspicion, is the offender. This is a product of the cunning U.S. maneuver, and the United States is behaving like an international judge in connection with the nuclear issue and hiding its true intention as the ringleader of the world's nuclear threat.

The unreasonableness of the UN Security Council's adoption of the resolution is also demonstrated by the fact that the United States, the offender in the nuclear situation on the Korean peninsula, initiated the resolution and passed it. If the UN Security Council is to discuss and take measures on the nuclear issue on the Korean peninsula, it should make the U.S. nuclear threat an issue.

As the world officially recognizes, the United States deployed some 1,000 nuclear weapons in South Korea, changed it into the largest nuclear war explosive storehouse in the Far East, and is inflicting an endless nuclear threat on us.

It is clear to anyone that the ringleader of the nuclear threat on the Korean peninsula is not our republic, a peaceful nonnuclear state, but the United States, a big nuclear power, carrying out its policy of domination. Nevertheless, the United States cunningly used its position as the single big power of the world and as a permanent member of the UN Security Council to reverse the right and wrong of the situation and cornered us, the victim, as the offender, thus fabricating an unreasonable resolution against us at the UN Security Council.

There is no regulation in the UN Charter that stipulates that a country can infringe upon another country's sovereign right just because it is a big nuclear power or even just a big power and because it is a permanent member of the UN Security Council. Presenting and discussing such a resolution which conspires against a nonnuclear state in the UN arena should be forbidden.

An unreasonable resolution against us was passed at the UN Security Council because of U.S. maneuvers. It is indeed a defilement of the demand of the world's peace-loving people and of the idea of peace as stipulated in the UN Charter. The unreasonableness of the adoption of the resolution is also demonstrated in the fact that yesterday, through the statement by the chairman, the UN Security Council said that it encourages negotiations. But today it is preventing them.

In discussing issues brought before it, the UN Security Council should guarantee democracy and fairness and should not be at the beck and call of a specific country's tyranny. We have consistently acted fairly and squarely throughout our so-called nuclear issue and our NPT withdrawal. Therefore, there is no legal ground or justification to find fault with us.

In this connection, the UN Security Council urged through the chairman's statement that the International Atomic Energy Agency [IAEA] and the DPRK should hold negotiations. Even after we announced that we would withdraw from the NPT, we promoted negotiations with the IAEA Secretariat and made active efforts to resolve the situation through talks with the United States, the party concerned. As a result, negotiations between the IAEA and the DPRK matured, and the IAEA's inspection team went to our country and carried out inspections. Moreover, a time arrived when DPRK-U.S. negotiations could be promoted.

However, right at that time, the United States rejected the UN Security Council's position of encouraging negotiations, threw a wet blanket on this atmosphere in the Security Council for negotiations, and made the UN Security Council adopt an unreasonable resolution that can aggravate the situation even more.

This proves that the United States used the UN Security Council to fabricate reasons for the unreasonable resolution against us. This is truly a disgrace to the current international community and a defilement of man's desire aimed at justice and peace.

The reason this abnormal situation occurred in the UN arena is related to the United States' arrogant ambition of dominating the world to reign as the single leader of the world by taking advantage of the end of the Cold War. Another reason is that some countries are turning away from the responsibility of defending international justice and peace and their country's sovereign right in order to yield to the U.S. policy of strength and play the role of amenable rubber stamp and offender.



The imperialists' tyranny and privilege in the UN arena should not be tolerated. The UN Security Council should restore fairness and should not be used in the maneuvers of big powers trying to violate and infringe upon other countries' sovereign rights.

### **Liaison Officials Sent To Deliver Letter**

*SK2505013093 Pyongyang Korean Central Broadcasting Network in Korean 0110 GMT 25 May 93*

[Text] At 1000 this morning, our side sent a telephone message to the South side.

The telephone message noted that our side will send two liaison officials to the Conference Room of the Neutral Nations Supervisory Commission at Panmunjom at 1500 today, Tuesday, in order to deliver the letter from the premier of the DPRK Administration Council addressed to the prime minister of the South side.

### **Premier's Report on Proposal**

*SK2505104093 Pyongyang KCNA in English 1023 GMT 25 May 93*

["Premier Kang Song-san Proposes to South Side To Exchange Special Envoys Appointed by Persons in Top Authority of North and South"—KCNA headline]

[Text] Pyongyang, May 25 (KCNA)—Kang Song-san, premier of the DPRK Administration Council, in a letter to South Korean "Prime Minister" Hwang In-song today made a proposal that special envoys appointed by the persons in top authority of the North and the South of Korea be exchanged, an epochal proposal for solving the long-standing important problems of the nation in a comprehensive way.

He said in the letter:

The tense situation obtaining in our country today makes it incumbent upon us to pave the way for the nation together through mutual harmony and unity from a new innovative point of view, placing the destiny of the country and the nation above anything else, freed from the customary practices of the past.

From this stand, we recently put forth the 10-point programme of the great unity of the whole nation as an epochal step to solve the reunification question of the country.

It is understood that your side, too, has expressed its stand of attaching importance to the interests of the nation, unlike in the past, since the emergence of the new regime.

We believe that if the authorities of the North and the South take the national position alike under the present conditions, it is possible to smoothly solve the question of national reunification and a series of important problems in the way of the reunification.

The present moment can be regarded as the very opportunity for the North and the South to open up a bright future of the nation together.

On this occasion I politely propose the exchange of special envoys appointed by the persons in top authority of both sides as an epochal overture for solving the long-standing important problems facing the nation in a comprehensive way.

We think the special envoys can accomplish the mission of relaying the important intentions of the top-level authorities regarding a summit meeting and pending issues between the North and the South for a solution of the reunification question of the country.

In view of the importance of their mission, we propose, the special envoys should be deputy prime minister-level officials fully in charge of reunification affairs, and the sooner the exchange of their visits, the better.

The exchange of special envoys will make it possible to open a new phase in the implementation of the North-South Basic Agreement and Joint Declaration on Denuclearization and bring about a substantive progress on the way to national concord and reunification of the North and the South.

We consider that, if the exchange of authoritative and responsible special envoys is realized, the problems which your side had raised for discussion at a contact of delegates to the North-South high-level talks may be solved at the same time.

The exchange of special envoys should be preceded by a working-level contact between the sides, I think.

It is desirable to have the working-level contact at the Tongil house in our portion of Panmunjom at 10:00 May 31, attended by two persons from each side, headed by a vice-minister-level official.

I express the hope that your side will give an affirmative reply to our proposal to exchange special envoys of the persons in top authority.

### **Further on Proposal**

*SK2505080493 Pyongyang Korean Central Broadcasting Network in Korean 0706 GMT 25 May 93*

[Letter of Kang Song-san, premier of DPRK Administration Council, to Hwang In-song, the South Korean prime minister on 25 May—read by announcer]

[Text] Kang Song-san, premier of the DPRK Administration Council, on 25 May sent a letter to Hwang In-song, the South Korean prime minister. The letter proposed the exchange of special envoys to be appointed by the highest persons in authority in the North and South. The content of the letter is as follows:

Our people have been suffering the pain of division for nearly half a century. Nothing is more important and urgent for us than reconciliation and reunification.



In the past, there were proposals for the nation's peace and reunification between the North and South. The efforts to realize them were not at all small.

Even after the 1970's, dialogue and contacts were held on many occasions between North-South authorities at various levels and in various domains. In this course, we also witnessed excellent results which gave hope to our fellow countrymen.

However, to our regret, an actual, significant advance was not registered on the road for reconciliation and reunification between us and former authorities of your side. As a result, dialogue and contacts were used for maintaining the military dictatorship, and only the disappointing results of skidding [kongjon] and rupture [kyolyol] were brought about.

The North and South should no longer traverse along the past road of dialogue which underwent many twists and turns. We should now make a new start.

Moreover, the urgent situation prevailing in our country demands that we give top priority to the destiny of the nation and people by freeing ourselves from past habits and by jointly opening the way for the nation to advance through realizing mutual reconciliation and unity based on a new innovative stance.

Proceeding from this position, we recently put forward the 10-point program of great unity of the whole country as an epoch-making step to resolve the issue of national reunification.

It is known that with the inauguration of the new regime, your side, unlike past regimes, has attached importance to national interests.

We believe that if the authorities of the North and South both assume nationalist positions under the present circumstances, they can easily and smoothly resolve not only the issue of the country's reunification but also the series of important problems leading to reunification. This can be said to be the opportunity for the North and South to jointly open a bright future for the nation. At this juncture, I cordially propose that we exchange special envoys appointed by each side's highest person in authority. This momentous proposal will comprehensively resolve important matters [chungdaehan munje] which have accumulated before the nation.

Special envoys will have the mission of conveying the important intentions [chungdaehanddut] of the chief executives [choegowigubui] to resolve [tagyol] not only the issue of meetings between the top leaders of both sides [ssangbang chongsangduri mannanunje] on solving the problem of the country's reunification but also pending issues between the North and South.

Considering the importance of their given missions, special envoys will each be deputy prime ministerial-level officials who exclusively take charge of reunification affairs, and the sooner they are exchanged, the better.

Exchanging special envoys will help open a new phase in implementing the North-South basic agreement and the joint denuclearization declaration and help achieve real progress in North-South national harmony and reunification.

We feel that when authoritative and responsible [kwon-wiittko chaegimjogin] special envoys are exchanged, we will also be able to address the issues you have proposed for discussion at contacts between delegates to the North-South high-level talks.

Contact between working-level officials of both sides must precede the exchange of special envoys. Two officials from each side, one of which will be the vice ministerial-level official in charge [pubujang-chagwangubul chaegimjaro hayo], will attend the working-level contact and it will be good to have the contact at 1000 on 31 May in Panmungak, on our side of Panmunjom.

I hope to hear your affirmative reply to our proposal on exchanging chief executives' [choegowigup] special envoys soon.

#### **Daily Stresses Importance of Party Work Method**

*SK2405054093 Pyongyang Korean Central*

*Broadcasting Network in Korean 0022 GMT 23 May 93*

[NODONG SINMUN 23 May special article: "The Party's Work Method Is an Important Method Which Strengthens the Relations Between the Party and the Masses"]

[Text] An important demand which emerges in brilliantly implementing the party Central Committee's slogans about further strengthening the blood relations between the party and the people by thoroughly implementing the revolutionary masses' line is to correctly establish the party's work method and style.

The dear leader Comrade Kim Chong-il has noted: The relations between the party and the masses are realized through functionaries. The masses' support and trust in the party are greatly based on functionaries' work method and style.

Strengthening the blood relations between the party and the masses is an important guarantee for vigorously advancing the socialist cause, by strengthening the main forces of the revolution and by enhancing their roles.

The party has struggled to ensure the interests of the people, including the working class. The party has carried out revolution and construction by organizing and mobilizing the popular masses. Thus, it is very important for the working class party to establish blood relations with the broad segments of the people and take its roots in the masses.

Only when the party takes its roots in the popular masses, enjoys the masses' absolute support and love, and combines with the masses can it bring into full play



the ever-victorious and invincible might. Only then can it carry out its missions as the general staff of the revolution and as the political leader [yongdoja] of the popular masses.

In strengthening the blood relations with the popular masses, it is very important for the working class' party to constantly improve functionaries' work method and style. Establishing the relations between the party and the masses is related with functionaries' position.

Functionaries are main forces of the party. They are organizers and instructors of the masses. As a political organization which struggles for the people's interests, party's all activities are realized by functionaries. The success in functionaries' work greatly depends upon their work method and style.

Work method is related with how functionaries organize work and how they mobilize the masses to implement the party's line and policy. Work style is related with the functionaries' view of the popular masses.

Work method is expressed by functionaries' activities and work style. Work style is expressed by the political and moral traits to carry out the revolutionary mission and establish relations with the popular masses.

Functionaries should have the right activity method, work style, and high political and moral traits. Only then can they implement the party's leadership in accordance with the will and demand of the masses. Functionaries should firmly forge the blood relations between the party and the masses.

Constantly improving the party's work method and style becomes more important as socialist construction is accelerated. The condition and environment of socialist construction are not invariable. The reality constantly changes and develops. This demands that functionaries' work method be also constantly improved.

In particular, as days pass, shift in generation takes place in cadre ranks. The roles of the functionaries, who have received revolutionary trainings, become important. For this reason, without constantly struggling to improve functionaries' work method and style, the party's leadership toward socialist construction cannot be realized and the party cannot fulfill its responsibility for the people's living. This is proven by the lesson on party building in some countries where socialism was frustrated.

In the countries where socialism was frustrated, outdated ideological remnants remained in functionaries' minds in the initial period of socialist construction. Under the circumstances in which they had no experiences of managing socialist society, the emergence of outdated work method and style was inevitable to some extent.

However, the working class supported the working class' party and the socialist regime which had freed themselves from exploitation and oppression. Thus, functionaries' outdated work method and style did not bring about the consequence of endangering the revolutionary achievements.

While a stable living continued for long, functionaries' awakening became dull and their demand for living increased. In addition, because new generations, who did not receive revolutionary trainings, became cadre ranks, outdated work method and style, including bureaucratism, severely emerged. Even irregularities and corruption, which did not exist in the initial period of socialist construction, took place. This caused the grave consequence of losing the masses' support and trust in the party. This also alienated the party and the masses.

The lesson of building the socialist ruling party in some countries where socialism was frustrated shows that even under the favorable circumstances in which the party's social and class foundation becomes firmer in socialist society, the blood relations between the party and the masses cannot be strengthened and the party cannot be maintained, without strengthening the work to improve the party's work method and style.

Since the first day of seizing power, our party has raised it as one of the basic issue of the party building to improve the party's work method and style. Our party has always paid deep attention to improving the party's work method and style.

The basic policy, which our party has maintained in improving the party's work method and style, is to establish the anti-Japanese guerrillas' work method in the entire party. The anti-Japanese guerrillas' work method, which the great leader Comrade Kim Il-song created during the arduous anti-Japanese revolution struggle, is the genuine communists' work method.

Our party has applied and developed the traditional anti-Japanese guerrillas' work method in accordance with the new realistic demand of socialist construction. By so doing, our party has created the Chongsan-ri spirit and the Chongsan-ri method. Our party has vigorously promoted the work to generalize the Chongsan-ri spirit and the Chongsan-ri method in the entire party.

Namely, the Chongsan-ri method means the work method based on the masses' strength. The Chongsan-ri method is the revolutionary work method of carrying out tasks by going into the masses, sharing woes and weals with the masses, and mobilizing the enthusiasm, initiative, and creation of the masses.

In the process of carrying out the Chongsan-ri spirit and the Chongsan-ri method, the revolutionary work method, based on organizational and political work with the people, has been established in the party. A party-minded and political method has also been established in the party. A basic turn has been effected in the party's work method and style.



Under the circumstances in which shift in generation takes place in cadre ranks and in which the roles of functionaries who have received revolutionary trainings become important, our party has put efforts into struggle to remove outdated work methods and styles.

Work method and style are not issues concerning functionaries' work ability and character. Work method and style are the expression of functionaries' ideology.

The dear leader Comrade Kim Chong-il has raised it as one of the party's key tasks to improve the work method and style in accordance with the revolutionary development. The dear leader Comrade Kim Chong-il has vigorously struggled to thoroughly remove outdated ideological remnants among functionaries. He has carefully indoctrinated and led functionaries to possess revolutionaries' traits and people-minded traits.

The struggle to improve the party's work method and style has been vigorously accelerated under the wise leadership of our party. The traits of the party's work method have been comprehensively changed. The entire party has been vibrant with revolutionary enthusiasm and all work has been promoted vigorously. The relations between the party and the masses have been further strengthened.

Our party has put forth the slogan, "Serve the People." This is very important in getting all functionaries to faithfully serve the people and strengthen blood relations with the popular masses.

Our functionaries have struggled to implement the slogan. They have thoroughly guaranteed the popular masses' interests; gone into the masses to carry out work based on the masses; shared life and death and woes and weals with the popular masses; and led the masses by their personal examples. Thus, our functionaries have more firmly established the revolutionary work method and the people-minded work style.

The people have firmly supported and trusted our party. Our party is deeply rooted in the masses. Our party has been strengthened and developed as the militant party which enjoys the absolute support of the masses and as the revolutionary party which advances in the single-hearted unity with the masses. This is because the party has thoroughly embodied the revolutionary masses-oriented line. This is also because functionaries have constantly struggled to establish the revolutionary work method and style.

Our functionaries should firmly arm themselves with our party's chuche-oriented theory and method toward the leadership. They should more thoroughly implement the party's chuche-oriented theory and method toward the leadership. This is the due duty and noble mission of our functionaries who have defended the important outposts of the party and the revolution, with the firm trust and expectation of the party.

Functionaries should possess more actively the traits as the functionaries of the fatherly party [omonidang] which has responsibly led the people's fate. Only then can they enjoy the people's love and consideration for the party. The blood relations between the party and the masses will be more invincibly forged and a greater upsurge will be brought about in socialist construction.

### **People Urged To Have Faith in Socialism**

*SK2305103993 Pyongyang Korean Central  
Broadcasting Network in Korean 0600 GMT 20 May 93*

[Unattributed talk: "Our People's Firm Faith in Socialism"]

[Text] Today our people are vigorously moving forward along the single road of socialism with their firm and solid faith in it. They must have a firm faith in socialism to consummate the socialist and communist causes.

There can be enormous difficulties and trials on the road to socialism, because it is the complicated and hard road of struggle in which nature and society must be transformed and the ideology of people must be remolded amid the fierce confrontation and struggle against the imperialism.

To firmly adhere to the socialist cause and victoriously advance it by overcoming difficulties and trials created in the course of the development, the popular masses, main forces of the revolution, must have a firm faith in socialism.

The dear leader Comrade Kim Chong-il has indicated: Our people have a firm and solid faith in the justice and prospect of the socialist cause which they themselves have chosen and pioneered with their own might. They are also filled with the revolutionary determination to endlessly move forward along the socialist road under the leadership of the party.

Our people's firm faith in socialism is a iron belief that regards the socialist cause of chuche as most just, and that it will surely win victory. It is also our people's firm will to endlessly move forward along the socialist road without discontinuation in any difficult circumstance.

This resolute revolutionary spirit has been clearly displayed in our people's practical struggle. Above all, our people's firm faith in socialism has been obviously shown in their firm adherence to the socialist cause under the situation in which the imperialists' anti-socialist offensive is aggravated.

Today socialism of our own style is firmly defended from the imperialists' and reactionaries' cruel offensive. This is because our people have a firm faith in socialism. The popular mass-centered socialism of our own style is a lofty achievement our people have attained at the cost of their lives in the course of carrying out the arduous and



ardent revolution. This is also a cradle of happiness. Our people can neither be happy nor live without the socialism.

Our people regard it as their national obligation to firmly safeguard the popular mass-centered socialism in which the *chuche* idea is embodied. They also regard it as their heavy international obligation assigned to them before mankind's cause for independence and the socialist cause. They are therefore carrying out their historic missions.

Our people's firm faith in socialism has also been highly displayed in their struggle to further glorify the superiority of socialism, upholding the party's plan and intent. The course of implementing the party's lines and policies is just the one of glorifying the superiority of socialism. Therefore, our people's determination and will to further glorify the superiority of socialism can be highly displayed in their practical struggle for effecting an upsurge in the socialist construction.

Today our people's will to more highly display the superiority of socialism has been vigorously displayed in their heroic feats in the socialist construction, upholding the slogan "What the party decides, we will do."

Our people are building a tower of feats in their socialist construction every day. This is a manifestation of our people's lofty loyalty. They will break through rough mountains if the party calls upon them. This is simultaneously a manifestation of their will to display the essential superiority of socialism over capitalism in political, economic, and cultural fields.

Our people's faith in socialism is neither temporary nor an improvisation. It is, however, an idea and feeling they have cherished and amplified during their long practical experience. Therefore, their faith has a firm foundation.

The firmness of our people's faith in socialism originated in their resolute conviction of the justice of the *chuche* socialist cause they themselves have chosen. Our people's trust in the justice of the socialist cause can therefore proceed from and be consolidated with their practical experience in their abundant life from the superior socialism rather than capitalism.

From practical experience our people believe that only socialism of our own style can eliminate all kinds of domination, subjugation, and social inequality and can provide them with true freedom, equality, happiness, and a rewarding life. Therefore, they have firmly come to believe that the road to *chuche* socialism is the only way to realize their independent ideology.

The firmness of our people's faith in socialism is also based on the valuable achievements they have made at the cost of lives in their socialist construction. Our people have creatively pioneered the road to socialism in a harsh struggle against the cruel imperialists. Starting from nothing, they have carried out industrialization and laid the foundation for a self-reliant economy by

tightening their belts when everything was destroyed. All the happiness our people have today is a result of their dedication and precious perspiration.

The history of struggle for socialism does not know any other people except our own, who have built socialism by overcoming all difficulties and trials in a harsh and complicated situation. History does not know any other socialism except the superior socialism of our own style that thoroughly safeguards and smoothly satisfies the interest of the people. Our people have built the most superior socialism in our country and have a special attachment to it. They are also proud that socialism is deeply rooted in their minds.

The firmness of our people's faith in socialism is also based on their conviction that the collapse of imperialism is inevitable and that the victory of socialism is necessary. The imperialists predict the complete destruction of socialism and the victory of capitalism, but this is only a sophism of people who are waiting for the end.

Because it is inhumane, capitalist society has widened the discrepancy between the people who want to live with dignity and the working class. Finally, it will inevitably embark upon the road to its destruction.

Confrontation and contradiction among the imperialist superpowers are aggravated even more today, and the imperialists are making desperate efforts to avoid the growing crisis of meeting their destruction. Their desperate attempts to stifle [apsal] our republic, a socialist fortress that is upholding the banner of socialism, are no more than a foolish daydream.

Our people, who are trained in the flame of struggle against imperialism under the leadership of the party, will remain firm in their determination against the imperialists' cunning and cruel maneuvers. They have gained a keen insight into the weakness of the imperialism and are confident of moving forward along the socialist road.

The dear leader Comrade Kim Chong-il's firm determination and will is to consummate the *chuche* socialist cause pioneered by the great leader in harsh difficult circumstances. Our people will certainly realize the independent reunification of the fatherland and win the final victory of the socialist cause, single-heartedly uniting as one around the party and the leader today, tomorrow, and forever.

### **Daily Views Call for Acceleration**

*SK2305053593 Pyongyang Korean Central Broadcasting Network in Korean 0006 GMT 22 May 93*

[NODONG SINMUN 22 May special article: "Let Us Create the Speed of General Onward March of the Socialism of Our Own Style"]

[Text] The Workers Party of Korea [WPK] Central Committee's slogan issued on the 40th anniversary of the war victory has called on the entire party and people



to join in creating the speed of the general onward march of our style of socialism. The party's militant call has aroused all our party members and workers and has vigorously inspired them to bring about new achievements.

The WPK Central Committee's slogan points out: Let us all join in creating the speed of the general onward march of the socialism of our own style.

The party's slogan on creating the speed of general onward march of the socialism of our own style is revolutionary in that it calls for fully displaying the superiority of the socialism of our own style in all fields by creating a far greater speed of onward march with the might of single-minded unity around the party and the leader.

A socialist society is a society where innovations and achievements are continuously brought about. The absolute superiority of socialism is that revolution and construction are very speedily accelerated by the high revolutionary enthusiasm of the popular masses strongly united around the party and leader.

We have the leadership of an ever-victorious veteran revolutionary party, loyal people and revolutionary Armed Forces single-mindedly united around the party. We have the strong base of the powerful self-reliant national economy.

Our style of socialism has been further strengthened more than ever in political, ideological, material, and technological terms. The might of the socialism of our own style must be demonstrated in creating the speed of onward march for socialist construction.

Endlessly creating the new speed of onward march as demanded by the popular masses-centered socialism of our own style and thus endlessly glorifying the socialism of our own style, our people's existence, is the party's intention. The struggle to create the speed of general onward march of the socialism of our own style is the struggle to brilliantly inherit and develop the spirit of chollima, our people's traditional struggle spirit, and the spirit of the speed battle.

For the past 40 years since they won a great victory in the Fatherland Liberation War, our people have vigorously accelerated the onward march of chollima and the onward march of the speed battle with incomparable popular heroism, the spirit of patriotic devotion, and the indomitable struggle spirit. Our people's speed of onward march in those days was truly amazing.

Today's reality in which the main forces of socialism have been strengthened beyond comparison call on all the people to more rapidly carry out socialist construction by inheriting this wonderful struggle spirit. The speed of general onward march of the socialism of our own style is an unprecedented battle of onward march that can only be created by the heroic Korean people who are more vigorously struggling for a new victory

after inheriting the Paektu revolutionary spirit, the revolutionary spirit of chollima, and the revolutionary spirit of the speed battle.

Creating the speed of general onward march of the socialism of our own style is a genuine road that again vigorously displays the indomitable spirit of our people, a heroic people who defeated the U.S. imperialists and defended national dignity and socialism. They have built the most outstanding socialist society after waging an arduous struggle from scratch.

Today, for the entire party and all the people to turn up to create the speed of general onward march of the socialism of our own style is a very honorable and responsible work to resolutely crush the anti-Republic, antisocialist maneuvers by the imperialists and the reactionaries and fulfill the noble mission of our party and people before time and history.

The U.S. imperialists and the reactionaries have not abandoned their ambition to stifle [apsal] our socialism but are mapping out a vicious scheme to embark on more vicious adventures [tokunmohomul kamhaenghal hyunggyerul kkumigoitta].

In a showdown with the enemy, struggle leads to victory, and compromise and retreat lead to death. To resolutely wage a struggle against the enemy's antisocialist maneuvers and defend the socialist cause to the end, we must score new revolutionary upsurges in all fields of economic construction and national defense building and more markedly increase the speed of our onward march.

For the entire party and all the people to join in creating a new speed of general onward march of the socialism of our own style is a firm guarantee to win a victory in a fierce war between socialism and capitalism and strongly defend the bastion of socialism. The most important thing in creating the speed of the general onward march of the socialism of our own style is for all the party members and workers to have the firm belief that our socialist cause led by the party and the leader will win a victory without fail.

The dear leader Comrade Kim Chong-il has pointed out: We must brilliantly carry out our assigned militant tasks by overcoming difficulties and obstacles with optimism and a firm belief and will in a victory in the revolution. In this way, we must achieve a momentous turning point in further strengthening the might of socialism.

The high speed of the general onward march created in socialist construction is the expression of the popular masses' firm belief and indomitable will. Those who can always create extraordinary miracles are people who firmly trust and follow only the party and the leader with the firm belief that the socialist cause will be victorious without fail as long as there is the wise leadership of the party and the leader.

All the party members and workers must unanimously turn up to wage the all-people struggle to score new



revolutionary upsurges with the unshaking belief that defending socialism will lead to victory and abandoning it will lead to death. They must have the unshaking belief that with the strong struggle spirit there is no setback on a revolutionary road no matter what obstacles may lie ahead.

We must continuously march forward and struggle cherishing deep in our hearts the dear leader Comrade Kim Chong-il's strong belief and indomitable will contained in the party Central Committee's slogan.

The spirit of the absoluteness and unconditionality of the party's lines and policies is an engine that creates the speed of the general onward march of the socialism of our own style.

All the people were able to bring about the golden age of socialism in this land with the spirit of chollima joined with the speed battle. This is because they were filled with the strong revolutionary spirit that they would go through fire and water if the party asks them to.

All the party members and workers must consider the party's decisions and instructions and the militant tasks assigned by the party to be foremost tasks and inviolable rules and more highly display the revolutionary spirit of implementing them without fail.

We must firmly believe that self-reliance is the only way for our survival and the socialist road. We must highly display the traditional spirit of self-reliance and arduous struggle.

To celebrate the 40th anniversary of the victory in the war as a great festival of the victors, all the fields and guardposts in socialist construction must devote themselves to fulfilling the struggle goals which they pledged to the party.

The historical experiences in our country's socialist construction show that only when science and technology and the workers' high revolutionary enthusiasm are correctly combined, the high speed of onward march can be created in socialist economic construction and that miracles and innovations can be brought about.

We must always keep in mind the fact that the technological revolution is a firm guarantee to overcome the imperialists' economic pressure and blockade [kyongje-jokamnyek kwa pongswae], defend socialism, and score new economic upsurges and more highly raise the flames of the popular technological innovation movement in all fields.

As they did in the postwar era when they accelerated socialist industrialization from scratch, all the people must turn up to vigorously carry out the technological revolution in all the fields in the people's economy and positively accelerate the chuche-oriented development, modernization, and scientization of the people's economy.

Enhancing the party organizations' functions and roles is very important in the struggle to create the speed of the general onward march of the socialism of our own style.

All the people are boldly waging the struggle to create a new speed of onward march in the 1990's in hearty response to the party's political calls. It is time that party organizations more rigorously than ever before carry out organizational and political work.

Party organizations at all levels must vigorously carry out political work to disseminate among the party members and workers the spirit of the party Central Committee's slogan and the party's intention to create the speed of the general onward march of the socialism of our own style.

Party organizations must lead guiding officials to vigorously push ahead with the struggle to create the speed of the general onward march of the socialism of our own style. Upsurges will be continuously brought about in socialist economic construction when all the guiding officials mobilize the masses' boundless positive creativity with bold operational plans, skillful command, and vigorous political work and correctly carry out technological and economic supply work in production and construction.

#### **Report on Increase in 1993 Egg Production**

*SK2205000593 Pyongyang KCNA in English 1517 GMT 21 May 93*

[Text] Pyongyang, May 21 (KCNA)—Egg production is on the increase at the Sopo chicken plant in Korea these days.

The production this year by the 20th of May was up 16 percent from the like period last year.

The great leader President Kim Il-song gave on-the-spot guidance to the plant on May 7.

Going round the egg-laying buildings and earthworm habitat of the plant, he indicated tasks and ways for boosting egg production.

The egg producers, immensely encouraged by this, have taken measures to set up new indoor and outdoor earthworm habitats of 5,000 square metres within this year, while making an effective use of the already fructifying habitats for the production of protein feed.

For the present, they are bending efforts on increasing the number of layers and putting breeding and management including feeding, the adjustment of temperature and humidity and veterinary and anti-epizootic work on a scientific and technical basis.

The plant, founded in April 1959, is situated in the northwestern suburbs of the capital and it occupies an area of 162,000 square metres.



It has now turned into a reliable egg producer of the capital, its production capacity registering 200 times that at the initial period of its operation.

### **Shoe Production Increases in First Quarter**

*SK2205231693 Pyongyang KCNA in English 1506 GMT 22 May 93*

[Text] Pyongyang, May 22 (KCNA)—Production of shoes is increasing in Korea.

According to data available, the shoe production plan was carried out at 104.8 percent in the first four months of the year. This means that 14 million more pairs of shoes were turned out than in the same period last year.

The credit for this success goes to the shoe-makers who have markedly increased the production capacity in recent years by actively introducing advanced technologies and streamlining the shoe-making industry in hearty response to the light industry policy of the Workers' Party of Korea.

Last year several shoe-making bases have been built or reconstructed on an expansion basis and the technical remodeling of production processes was successfully carried out, with the result that the production capacity rose some 20 percent.

A modern workshop with an annual capacity of millions of pairs was built at the Sinuiju shoe-making factory.

With the commissioning of an injection-molding shop, the Pyongyang vinyl chloride shoe-making factory produces millions of pairs of injection-molded sport shoes, sandals and scores of other kinds of injection-molded shoes every year. The production capacity of the factory has nearly doubled.

A modernly-equipped injection-molded boots shop with a capacity of one million pairs was built at the Suncheon shoe-making factory.

The March 4 factory was commissioned some time ago, which can produce 150,000 pairs of white rubber shoes and other kinds of shoes a year.

The nation's shoe-making industry is expanding the variety of products.

The shoe-making factories across the country fully meet the domestic demands by producing a large quantity of smart and durable shoes suited to sex, age, season and occupation. Some products find their way to foreign markets.

Investment in this domain will grow markedly this year.

## **South Korea**

### **Further on DPRK's Nuclear Treaty Withdrawal**

#### **DPRK Said To Propose 2 Jun U.S. Talks**

*SK2405232393 Seoul KBS-1 Radio Network in Korean 2211 GMT 24 May 93*

[By correspondent Kim Hyong-tae from New York]

[Text] High-level talks between the United States and North Korea will be held in New York on 2 June. North Korea today appointed Vice Foreign Minister Kang Sok-chu head of the North Korean delegation to U.S.-North Korea high-level talks, and proposed to the United States to hold it on 2 June.

In his telephone interview with KBS, a North Korean diplomat to the United Nations said that North Korea had informed the U.S. State Department of its list of three delegates led by Vice Foreign Minister Kang Sok-chu to the high-level talks. The United States appointed Galucci, assistant secretary of state for political and military affairs, head of its delegation to the talks and informed North Korea of his appointment.

#### **North Proposes 31 May Meeting With South**

*SK2505090393 Seoul YONHAP in English 0855 GMT 25 May 93*

[Text] Seoul, May 25 (YONHAP)—North Korea proposed to South Korea on Tuesday that presidential emissaries discuss an inter-Korean summit. In a message delivered through Panmunjom at 3 p.m., North Korea suggested that a preliminary meeting be held at Panmunjom on May 31 to discuss the proposed exchange of deputy prime minister-level special emissaries.

Government officials from relevant offices immediately met to discuss how to respond to the North Korean proposal. It is not yet known what they will decide. On May 20, the South proposed a contact between delegates to the prime ministerial talks at Panmunjom on May 27 to discuss the nuclear problem and other issues pending between the two sides. The message, signed by Premier Kang song-san, was addressed to Prime Minister Hwang In-song.

Kang said that he was "courteously" proposing an exchange of presidential emissaries as an "epochal idea to comprehensively resolve major problems lying ahead of the nation (South and North Korea)." "The special envoys could discuss the issue of a meeting between the top leaders of the two sides for resolution of the unification question, and could fulfil the duty of conveying important thoughts of the top officials to each other on resolving other issues pending between the two sides," Kang's message said.

Given the importance of the task assigned them, the envoys should be deputy prime minister-level officials in charge of unification and the sooner the exchange took



place the better, it said. It suggested a vice minister-level contact at Tongilgak in the Northern sector of Panmunjom at 10 a.m. on May 31 to discuss the exchange.

The North Korean proposal came as a response to Seoul's earlier call for a contact between delegates to the prime ministerial talks. The offer draws a particular attention as it could be taken as their indirect proposal for an inter-Korean summit meeting. Premier Kang said in the message that "unlike in the past, your side, too, is learned to be showing an attitude of valuing the interests of the nation following the birth of the new government."

Seoul officials said these phrases could be indicative of the fact that North Korea thinks well of the new Seoul government as the other side in dialogue, an attitude which in turn indicates that there is much possibility of a summit meeting being held between the two sides, the officials said. Kang also said that once the exchange of "authoritative and responsible" envoys is realized, the issues which the South wanted to discuss at a contact between delegates to the prime ministerial talks could be resolved.

The North Korean premier, the officials said, thus made it clear that the agenda of a South-North summit meeting, if realized, could include the nuclear question. The Seoul government is expected to finally decide whether to accept the North Korean proposal in a few days. But, it is likely that the government would accept it in a sense to exert all available efforts to resolve the nuclear question. "We will carefully study the contents of the North Korean message and will disclose our official response at a later time," a government official said.

#### **DPRK Businesses Said Ready for Reversal**

*SK2505023393 Seoul CHOSON ILBO in Korean  
25 May 93 p 1*

[By correspondent Pak Sung-chun in Beijing]

[Text] North Korea withdrew from the nuclear Non-Proliferation Treaty [NPT] on 12 March. Its withdrawal from the NPT will take effect on 12 June. North Korea already decided internally to revert its declaration to withdraw from the NPT just before the effective date. According to this internal decision, North Korea's businesses are preparing for massive business transactions with South Korea which were put on hold after the North Korean authorities' declaration to withdraw from the NPT, the sources in Beijing informed on 24 May.

The sources in Beijing say North Korea internally decided to revert its withdrawal from the NPT because it had judged it not beneficial to stubbornly cling to its decision to withdraw from the NPT owing to PRC recommendations for dialogues with the parties concerned and its substantial diplomatic successes achieved through direct contacts with the United States.

The sources say North Korean businessmen are more actively than ever preparing for expanding transactions with South Korean counterparts upon learning this. As part of this preparation, North Korean businessmen are contacting ROK businesses in Beijing through various means. Predicting that mid-June will be the D-day for expanding transactions with South Korean businesses, North Korean businessmen are making active contacts with South Korean counterparts. The sources inform that these active contacts are part of a preemptive offensive aimed at taking the lead in transactions over their rival businesses in North Korea.

#### **Japan's Nakasone Cites Kim on Issue**

*OW2505144293 Tokyo KYODO in English 1431 GMT  
25 May 93*

[Text] Seoul, May 25 KYODO—President Kim Yong-sam said Tuesday [25 May] South Korea will stand firm in urging North Korea to clear itself of suspicion of developing nuclear weapons, former Japanese Prime Minister Yasuhiro Nakasone said. "The nuclear issue is important. Although I want to take a soft line over the North-South relationship, we will stand firm," Nakasone quoted Kim as saying.

Kim made the remark in a 50-minute meeting with Nakasone, who called on Kim at the Blue House presidential mansion in Seoul, the former Japanese premier said. North Korea is suspected of producing nuclear weapons at two sites in Yongbyon, about 90 kilometers north of Pyongyang. It announced its decision to withdraw from a nuclear control pact to protest calls by the International Atomic Energy Agency to allow its inspectors in the suspected sites, which Pyongyang insists are ordinary military facilities.

Nakasone told reporters he touched on the importance of Japan-South Korea ties in the Asian setting during his talks with Kim. The South Korean president reportedly said he shares Nakasone's view.

Kim explained South Korea's recent decision not to seek compensation from Japan for Korean women who served as "comfort women" providing sex for Japanese soldiers during World War II. "This could not have been done under any other administration. I took the measure in consideration of friendly ties between Japan and South Korea," Nakasone quoted Kim as saying.

An estimated 100,000 to 200,000 women, mostly from the Korean peninsula, were forced to serve as prostitutes at frontline brothels of the former Japanese Imperial Army. In March, Kim decided to ask Japan to uncover the truth about its recruitment of comfort women in lieu of seeking compensation from Tokyo. The Japanese Government said in a report last July that women from at least six countries were sent to frontline wartime brothels, but said it had found no evidence to support allegations the women were forced into prostitution. Japanese Foreign Minister Kabun Muto will explain



Japan's probe into the issue during his visit to South Korea expected for late June, Japanese Foreign Ministry sources said.

### **'Analysis' on Possible North-South Talks**

SK2205021493 Seoul THE KOREA HERALD in English 22 May 93 p 2

["News Analysis" by staff correspondent Kim Hye-won entitled: "Seoul May Be Offering Carrots of Its Own to N.K."]

[Text] The government Thursday [20 May] proposed inter-Korean high-level talks to tackle the thorny North Korean nuclear issue next week, but the meeting, if realized, will likely happen early next month at the earliest. North Koreans are still busy setting terms for high-level talks with the United States. In view of the priority they have given to bilateral contacts with Americans, North Koreans are not likely to respond to the South Korean proposal very soon.

The Seoul government, for its part, does not seem prepared to fully address the question on why it had to offer such a meeting now, instead of one week before or one week later. Government officials are also not giving full accounts on why such inter-Korean meetings are necessary at this stage, when North Korea is placing more emphasis on talks with Americans than those with South Koreans.

In the weeks since North Korea stated its intention to withdraw from the Nuclear Nonproliferation Treaty [NPT], South Korea has until now avoided direct contacts with North Koreans in any form, saying that untimely inter-Korean nuclear talks would only give North Korea chances to escape international pressures. A top government official said this time that South Korea, during the talks, wants to express its willingness to provide "carrots" of its own to North Korea if the communist country complies with the international demands concerning its nuclear program.

Some diplomatic observers in Seoul view initiative toward inter-Korean talks Thursday as a diplomatic scheme carefully orchestrated among the three major countries concerned—South Korea, the United States and China. Beijing, an ally of Pyongyang, has long suggested inter-Korean and Pyongyang-Washington talks to resolve the current crisis.

Washington, on the other hand, has wanted China to both press North Korea to reverse its decision on the NPT and to fully participate in any international efforts toward that purpose. Seoul is eager to mobilize help from both Washington and Beijing in order to solve the nuclear problem at the earliest date possible. The observers claim that a series of events which took place or are planned this and next week concerning the North Korean problem are the product of the coordination of these three positions.

China abstained from vetoing a U.N. resolution against North Korea last week when the United States made the resolution a condition for its bilateral talks with North Korea. China, as an indication of its support for the U.S. and South Korean opposition to the North Korean nuclear weapons development program, is sending its foreign minister, Qian Qichen, to Seoul next week.

The United States, accommodating the Chinese recommendation, decided to hold bilateral talks with North Korea. Washington, during the talks, is expected to press North Korea to have similar meetings with South Korea. South Korea, also accepting the Chinese advice, proposed inter-Korean dialogue on the nuclear problem. The proposal is also aimed at giving the Chinese foreign minister a full excuse for his visit to Seoul. South Korea sent its Assistant Foreign Minister Sin Ki-pok to Washington early this month to obtain the consent of U.S. officials on the plan.

One government official, however, did not expect inter-Korean talks to occur in late May as suggested by Seoul. He said North Koreans will likely suggest another date for talks with the South Koreans. Therefore, the official said, the inter-Korean nuclear talks, if realized, would probably take place in early June.

Pyongyang, meantime, is still delaying its response to the U.S. proposal to have assistant minister-level talks in New York. North Korea seems to have been upset by the U.S. decision to have Robert Gallucci, assistant secretary of state for political military affairs, lead the U.S. side in the talks, he said.

Washington made clear its intention to limit the proposed talks to the nuclear issue by designating Gallucci instead of Undersecretary of State Peter Tarnoff, who could handle broader issues including those on improvement of bilateral ties, according to the official. The talks, as a result, must be a little delayed, he said, adding that the meeting had been expected to occur this weekend or early next week.

### **Report Catalogs 'Unfair' U.S. Import Practices**

SK2505025693 Seoul CHOSON ILBO in Korean 23 May 93 p 7

[Article by correspondent Wang Sang-han: "Survey by Korea Trade Association on Instances of 'Discriminatory Treatment'"]

[Text] It was revealed that the U.S. Government is carrying out unfair practices [pulgongjong haengwi] in the course of verifying the country of origin, customs clearance, and examination of some goods exported to the United States by the ROK. Thus, this has emerged as a new trade issue between the ROK and the United States.

In a report entitled "Instances of Unfair Trade Practices by the United States Against the ROK" released on 22 May, the Korea Trade Association [KTA] noted that the



KTA conducted a survey for 420 ROK business firms engaged in the export of goods to the United States and that the results of the survey indicate that there were not a small number of instances of the United States' discriminatory treatment of ROK products in the course of verifying the country of origin, customs clearance, and lawsuits for dumping goods.

Based on their own free interpretation of regulations on verifying the country of origin, the working officials of U.S. customs enforced an excessively strict application of regulations to ROK goods, and demanded that documents for customs clearance be filled out excessively in detail. Thus, they not only delayed the procedure of customs clearance but also made exporters bear extra expenses. The KTA pointed out that instances of the United States' unfair trade practices violating the GATT were not of a small number.

Pak Chol-won, executive director of the Samsung Mulsan Company, Limited, said that "the ROK's export of goods to the United States has been reduced since 1989 largely because the competitive power of such goods has been weakened. However, unfair trade practices by the U.S. side also seriously affected their export." He then stressed that "in order to rectify intentional antidumping lawsuits by contesting U.S. business firms, a civilian-level cooperative system between the firms of the two nations should be established at an early date."

In the meantime, however, it is noted that ROK business firms often face trade barriers in U.S. markets because they lacked on-the-spot knowledge and information about U.S. markets.

Mr. Samuel H. Kidder, commercial attache at the U.S. Embassy, stated that "it is true that there are some problems in connection with the handling of imported goods by working officials in U.S. customs. However, greater problems exist in ROK business firms that lack knowledge about U.S. markets." He added that "for one to successfully carry out business in the United States, one should have complete information about U.S. markets."

The gist of instances of U.S. unfair trade practices prepared by the KTA is as follows:

#### **Manifestation of the Country of Origin**

A ROK firm exporting eyeglass frames to the United States indicated "KOREA" on its finished products. However, U.S. customs in New York, claiming that "there is grounds for misunderstanding that even the lenses are made in the ROK," demanded that the manifestation of the country of origin be changed to "FRAME KOREA," thus refusing the customs clearance of goods. To meet the demand, this firm rapidly sent another shipment by changing the name of the country of origin and replaced the former shipment. However, the U.S. customs did not take any issue with Japanese- and French-made goods. Another ROK firm was exporting

women's trousers to the United States and U.S. customs demanded manifestation of the country of origin even in the belts. As a result, this firm had to send another shipment and was forced to bear additional expenses because customs clearance was delayed for four or five days.

#### **Customs Clearance**

Demand for an excessive entry of writings in the invoice in customs clearances is an unfair trade practice violating Paragraph 1C of GATT Article No. 8, which stipulates simplification of the import-export procedure and documents required. On the pretext of concern over dumping exports, the U.S. customs demanded that detailed entry for some goods, including even the cost of raw materials and wages, be indicated. Such demand may force a ROK business firm to reveal business secrets.

As for shoes, U.S. customs demanded that in addition to 25 general entries, such details as design, manufacturing method, materials used, and the percentage of weight of textile and fabrics be indicated on ROK-made products. For travel bags, U.S. customs demanded that various expenses, including internal taxes and the discount amount, be indicated in the invoice. They even confiscated goods which failed to meet such demands. As for ROK-made fabrics, they demanded that the letters "SAMPLE" be indicated between every 30 centimeters in a sample fabric which is not intended for sale. As the result of this, the outward shape of the fabric was damaged very seriously.

#### **Inspection Standard and Time**

The U.S. Department of Agriculture manages certain ROK domestic pear cultivation gardens and conducts antiepidemic vegetable inspections for pears exported to the United States before their shipment. Despite this, the U.S. Food and Drug Administration [FDA] again conducts a quarantine during customs clearance at U.S. customs. As a result, pears have been subject to repeated restrictions. Moreover, the FDA's quarantine usually takes more than a month. As a result, pears are exposed to the danger of decay and ROK exporters suffer difficulty in making their delivery time.

As for edible seaweed and the like, as much as more than three months are required for inspecting their sample and new products in customs clearance.

#### **Inspection Procedure**

The survey also pointed out as a problem the burdens of increased expenses incurred by complex inspection procedures.

According to pertinent U.S. regulations, demurrage is to be imposed on cargo from the eighth day in the event that the cargo is not cleared by the customs within seven days after unloading permission is obtained at a U.S. port. During customs clearance, four or five days are



usually required for the inspection of cargo. To make the matters worse, the import inspection is not conducted immediately.

Therefore, exceeding seven days has now become a usual practice. Because of this, additional expenses in the form of customs clearance charges are required.

As for bicycles, permissible error in the size of their wheels has been unacceptable since 1990. Thus, the strict import inspection standard has been applied. When a U.S. juridical person clears the same import items through customs, import inspection is usually omitted. However, when a ROK juridical person in the United States clears the import items, an inspection is conducted by U.S. customs for every item. Thus, the ROK firms have received discriminatory treatment.

#### **Antidumping**

In the event that a lawsuit is filed by a U.S. firm, the orders for export are naturally to be drastically decreased during the period of screening by the U.S. Department of Commerce and the International Trade Committee.

In particular, the survey noted that working-level U.S. administrative organizations are using the price composition favorable to their own country as the normal price. They estimate the manufacturing cost of an imported item in their own way when they adjust the price for domestic sale. They are also using the antidumping system, such as the extension of the period of decision, as a means for import restrictions.

KTA Executive Director Cho Nam-hong said: The U.S. Government is pushing ahead with free trade. However, some working-level officials, including customs officials, are carrying out unfair trade practices. Thus, the ROK Government should make efforts to rectify such practices at an early date.

#### **Malaysia's Mahathir Continues Visit to Seoul**

##### **Urges Broader Investment**

*BK2505095293 Kuala Lumpur BERNAMA in English  
0623 GMT 25 May 93*

[From Azman Ujang]

[Text] Seoul, May 25 (OANA/BERNAMA)—Malaysia wants South Korea to broaden its investment in Malaysia instead of only going after big construction jobs, Malaysian Prime Minister Dr. Mahathir Mohamed said Tuesday. At the moment, Korean participation is largely in the construction industry. They like to have construction contracts and they already have some of the biggest contracts, he told a press conference at his Hotel Shilla suite here before leaving for home after a two-day unofficial visit.

He said South Korean investment in the manufacturing sector in Malaysia was still very minimal although the Koreans had built several huge projects. Manufacturing

is one area in which the Koreans should participate more because Malaysia still has fairly low-cost but productive labour. Since the costs in Korea have gone up and they can do what the Japanese have done, by relocating labour-intensive or partially labour-intensive industries to Malaysia, he said.

##### **Further on Investment**

*SK2505030193 Seoul YONHAP in English 0217 GMT  
25 May 93*

[Text] Seoul, May 25 (YONHAP)—Malaysian Prime Minister Mahathir Mohamed, pointing to Japan as an example, on Tuesday urged South Korean businessmen to invest in his country, especially in the manufacturing sector. "South Korean companies had sufficient opportunities in Korea. But now Korea is in the stage to expand. Now it is time to invest outside the country," Mahathir told a news conference.

The Malaysian leader, who urged his country to learn from Korea in his "look East policy," took a renewed look at Seoul's economy and said that a developing country like his "cannot afford to pay wages as high as developed countries." "We cannot afford too much industrial unrest," he said, referring to the Korean situation, "that would discourage foreign investment."

Mahathir asked that Seoul follow Tokyo's example of mass investment in Asian countries. Malaysia was determined not to depend heavily on commodities, and hoped for balanced industrialization between light and heavy industries, he said. "But we do not have capital or technology," Mahathir told reporters. "This is why we need foreign investment."

Many Korean construction firms show an interest in entering Malaysia's construction market, and the surest way is investment and joint ventures, the prime minister said. His advice to Korean construction companies was to open more branch offices in Malaysia and work with Malaysian companies to enter third country markets. The process will be helped if the Korean companies make more investment, Mahathir said, "this is what happened to Japanese companies."

But as much as Tokyo's contribution to Asian investment, the prime minister was assured that Japan will not dominate the East Asian Economic Caucus (EAEC). Much of the western opposition to his proposal for EAEC was aroused by misunderstanding of the concept, Mahathir said. The EAEC would operate strictly on egalitarian principles and free trade while serving as a forum to discuss common problems, he said.

"The (U.S. administration) is still trying to understand what we are trying to do," he said when asked about the U.S. response. Stressing his commitment to free trade, Mahathir said that he opposed any trade blocs like the European Community in Asia. "It is not good for world trade. Open regional group, this is what EAEC is about," he said.



## Philippines' Ramos Continues Visit to Seoul

### Hopes for Close Economic Ties

SK2405134293 Seoul YONHAP in English 1215 GMT  
24 May 93

[Text] Seoul, May 24 (YONHAP)—Philippine President Fidel Ramos said on Monday he was saluting the reforms President Kim Yong-sam has been undertaking. In an exclusive press conference with the Yonhap News Agency at the Hotel Lotte, President Ramos said his country wishes to have close economic cooperation with South Korea.

The Philippine leader said he was praising the reforms in Korea especially because the campaign has been going on with full popular backing. Ramos said he would like to see Korean industries expand their investment in many projects in the Philippines like the Subic Bay development scheme.

In particular, President Ramos said that because his country is suffering from the short supply of steel, the Philippines hopes to import a large amount of steel from the Pohang steel works in a long-term contract, and is also interested in joint venture projects with Korea in automobile, electronics, cement and home appliances. Regarding the current economic slowdown in Korea, the Philippine president said there is nothing to worry about because Korea is a flexible society that boasts a large number of experts and international-level marketing networks.

On his country's relations with North Korea, President Ramos said that at the moment, the Philippines maintains only parliamentary contacts with North Korea. The Philippine people are extremely concerned about North Korea's recent withdrawal from the Nuclear Nonproliferation Treaty, he said.

President Ramos flew into Seoul on Sunday to make a state visit to Korea and also to take part in the 26th Pacific Basin Economic Council Conference in Seoul. He will be leaving Korea on Wednesday.

### Countries Sign Extradition Treaty 25 May

SK2505074093 Seoul YONHAP in English 0546 GMT  
25 May 93

[Text] Seoul, May 25 (YONHAP)—South Korea and the Philippines signed an extradition treaty Tuesday that covers people charged with financial crimes or crimes for which the sentence is a year or more in prison. The treaty, signed by the foreign ministers during Philippine

President Fidel Ramos' visit, excludes political criminals except those charged with an attempted terrorist act or assassination of a state leaders. Extradition will be negotiated through diplomatic channels and the accused will not be deported to a third country.

## Air Force, Navy Chiefs of Staff Promoted in Rank

SK2405120093 Seoul YONHAP in English 1134 GMT  
24 May 93

[Text] Seoul, May 24 (YONHAP)—The government on Monday afternoon promoted Lt. Gen. Cho Kun-hae, director of the Intelligence Headquarters of the Defense Ministry, to full general and named him to serve as new Air Force chief of staff. The government also upgraded Rear Admiral Kim Hong-yol, director of battle ability evaluation department of the Joint Chiefs of Staff, to vice admiral and appointed him as chief of naval operations. Army Lt. Gen. Pak Se-hwan, commander of the combat arms training command, was named as Commander of the Second Army.

Defense Ministry spokesman Kim Yong-chol said, "The appointment of a vice admiral as chief of naval operations was a step to forge a new climate becoming of a new Korea and also to establish a fresh image of the Navy." He said that under the existing military personnel law, an officer cannot be promoted by two grades at the same time, but Vice Admiral Kim could be promoted to full admiral one year later.

## Ministry Issues Permits for New Radio Stations

SK2505092593 Seoul YONHAP in English 0836 GMT  
25 May 93

[Text] Seoul, May 25 (YONHAP)—The government ended a long-running dispute Tuesday by issuing permits for four new religious radio stations but stood firm on its refusal to allow local television stations run by religious groups. Information Minister O In-hwan told a news conference that licenses had been approved for the Buddhist Broadcasting System (BBS) to set up two FM radio stations (in Pusan and Kwangju), for the Roman Catholic Church's Pyonghwa Broadcasting System (PBC) to open a radio station in Taegu and for the Protestant-run Christian Broadcasting System (CBS) to set up a radio station in Chunchon.

The action fulfilled a campaign promise made by President Kim Yong-sam, O said. It also took into full consideration factors such as limited availability of frequencies and equality among religious groups.



## Burma

### **Khin Nyunt Leaves for Singapore 24 May**

*BK2405071793 Rangoon Radio Burma in Burmese  
0630 GMT 24 May 93*

[Text] At the invitation of Brigadier General Lee Hsien Loong, deputy prime minister and minister of trade and industry of the Republic of Singapore, Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], left Yangon [Rangoon] airport at 0600 this morning by special aircraft for a goodwill visit to the Republic of Singapore.

Lt. Gen. Khin Nyunt, SLORC secretary-1, was seen off at Yangon airport by Senior General Than Shwe, SLORC chairman and commander in chief of the defense services; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, deputy prime ministers; Lt. Gen. Maung Aye, deputy commander in chief of the defense services; Lt. Gen. Tin U, SLORC secretary-2; Lt. Gen. Myo Nyunt, minister of religious affairs; Vice Admiral Than Nyunt, minister of health; Lt. Gen. Tun Kyi, minister of trade; Lt. Gen. Maung Thint, minister of development of border areas and national races; Lt. Gen. Kyaw Min, minister of mines; U Khin Maung Yin, minister of construction; Mr. Anthony Chang Chai Tong, charge d'affaires of the Singapore Embassy, and embassy personnel; senior military officials from the Ministry of Defense; and responsible personnel from departments concerned.

SLORC Secretary-1 Lt. Gen. Khin Nyunt was accompanied by Lt. Gen. Kyaw Ba, minister of hotels and tourism; Lt. Gen. Thein Win, minister of transport; Brig. Gen. Abel, minister of national planning and economic development; U Ohn Gyaw, minister of foreign affairs; Brig. Gen. Myo Thant, minister of information; U Ko Lay, Mayor of Yangon; Colonel Aung Thaung, deputy minister of trade; and responsible personnel from the Defense, Foreign Affairs, and Information Ministries.

### **Home Minister Leaves for Bangladesh 22 May**

*BK2205143393 Rangoon Radio Burma in Burmese  
1330 GMT 22 May 93*

[Text] Lieutenant General Mya Thinn, member of the State Law and Order Restoration Council [SLORC] and minister of home affairs, left by Myanmar Airways this morning to pay a goodwill visit to Bangladesh at the invitation of the minister of home affairs of the People's Republic of Bangladesh.

Lt. Gen. Mya Thinn was seen off at the Yangon [Rangoon] Airport by Lt. Gen. Khin Nyunt, secretary-1 of SLORC; Lt. Gen. Tin U, secretary-2 of SLORC; Lt. Gen. Myo Nyunt, member of SLORC and minister of religious affairs; Lt. Gen. Maung Thint, member of SLORC and minister for development of border regions and national races; Lt. Gen. Aye Thaung, member of SLORC and minister of labor; Lieutenant Colonel Than Nyunt,

deputy minister of home affairs; Police Director General San Thein; Mr. Najibur Rahman, first secretary of the Bangladesh Embassy; and senior departmental officials.

Lt. Gen. Mya Thinn is accompanied by Colonel Htay Win, deputy commander of the Western Military Command; Lt. Col. Thein Sein, colonel general staff of the Ministry of Defense; U Maung Aung, director general of the Department of Immigration and Manpower; U Saw Thein, director general of the Department of Relief and Resettlement; Maung Tu, deputy director of police; U Than Aye, director of the Department for Supervising Immigration at Border Region; U Tint Dei, director of the Ministry of Foreign Affairs; U Ohn, department head of the Ministry of Home Affairs; and Captain Sein Mya, personal aide of the minister.

### **Foreign Minister Returns From Philippines Visit**

*BK2105105193 Rangoon Burma Television Network in Burmese 1330 GMT 20 May 93*

[Text] Foreign Minister U Ohn Gyaw paid a goodwill visit to the Republic of the Philippines at the invitation of Foreign Minister Roberto R. Romulo and returned to Yangon [Rangoon] by air this morning.

During his 17-19 May visit, Foreign Minister U Ohn Gyaw was cordially received by President Fidel V. Ramos at the Malacanang Palace on the evening of 17 May. Later, Foreign Minister U Ohn Gyaw called on Foreign Minister Mr. Roberto R. Romulo, and Environment and Natural Resources Minister Mr. Angel C. Alcala and exchanged views with them. U Ohn Gyaw also held a discussion with Deputy Foreign Minister Mr. (Maganit). He also met Mr. (Jose Ayulo), chairman of the International Trade Cooperation of the Philippines, and attended a luncheon with Mr. Raul Minglapus, a former foreign minister who visited Myanmar [Burma] in December 1991. Mr. Minglapus is now serving as a chairman of the Philippines National Oil Company.

### **Inauguration Ceremony Held for PRC-Burma Road**

*BK2105122393 Rangoon Radio Burma in Burmese  
1330 GMT 20 May 93*

[Text] An inauguration ceremony for the new Sadon-Mangmin Road on the China-Myanmar [Burmese] Road was held at the new bridge over Galeingyak Creek between Mangmin and Sailaw in Waingmaw Township at 0830 on 15 May.

The inauguration ceremony was attended by Brigadier General Saw Lwin, commander of the Northern Military Command and responsible personnel; a provincial-level delegation from the People's Republic of China led by Mr. (Shen Ching), general administrator of Baoshan, Yunnan Province; Mr. (Xi Hung Sin), district commissioner of Tengchong District; and about 1,000 people.

Commander Brig. Gen. Saw Lwin delivered an address at the ceremony. He said Sadon-Mangmin Road has



emerged from the Chinese-Myanmar friendship. He added that the contract was signed to renovate and improve the Sadon-Sainaw-Mangmin Road. According to the contract, the work on the new road was to take nine and a half months—starting on 15 September 1992 and being completed on 30 June 1993. He continued that Myitkyina-Sadon-Sailaw-Mangmin Road is 21 miles long and includes two bridges made of stones and three bridges made of steel frames and wood. Under the terms of the agreement, a total of 5.5 million yuan is to be spent for the project—4.4 million yuan by the Myanmar side and 1.1 million yuan by Tengchong District.

Brig. Gen. Saw Lwin explained that the opening of this new road is a victory for Kachin State and Tengchong District as well as a victory for China and Myanmar, and that the road will remain in history as a sign of cooperation between China and Myanmar.

Later, the instruments of the agreement were signed and exchanged at the ceremony by Lieutenant Colonel Tin Pe, secretary of the Kachin State Law and Order Restoration Council, and Mr. (Xi Hung Sin), district commissioner of Tengchong District in Yunnan Province.

### **Arts, Information Delegation Returns From PRC**

*BK2205095593 Rangoon Radio Burma in Burmese 1330 GMT 21 May 93*

[Text] A four-man radio, cinema, and television delegation of the Union of Myanmar [Burma] led by Deputy Information Minister U Soe Nyunt visited the People's Republic of China [PRC] at the invitation of the Ministry of Radio, Cinema, and Television of the PRC, and returned to Yangon [Rangoon] by air at 1400 this afternoon.

The radio, cinema, and television delegation of the Union of Myanmar led by Deputy Information Minister U Soe Nyunt was welcomed at the airport by responsible personnel from departments and enterprises of the Ministry of Information; members of the PRC Embassy; heads of departments and responsible personnel from the Ministry of Information; the deputy chairman of the Myanmar Music Organization and responsible personnel; and family members, relatives, and friends.

The members of the radio, cinema, and television delegation of the Union of Myanmar were U Tin Pe, managing director of the Motion Picture Enterprise; U Phone Myint, director of the Myanmar Television and Broadcasting Department; accordion player Ohn Kyaw, chairman of the Myanmar Music Organization; and U Nyunt Win, actor.

### **38 'Terrorist Insurgents' Return to Legal Fold**

*BK2405075593 Rangoon Burma Television Network in Burmese 1330 GMT 23 May 93*

[Text] Terrorist insurgents have realized and come to the correct view that their armed struggle and destructive

activities will not benefit the country and people. They have also come to accept and believe in the work being carried out by the State Law and Order Restoration Council and its genuine goodwill. Terrorist insurgents have been continuously returning to the legal fold at various military camps along with their arms and ammunition.

The following is the number of terrorist insurgents returned to the legal fold in various military command areas from 8 to 19 April:

Northern Military Command: Five privates, two lance corporals, one sergeant, and one middle school teacher from the Kachin terrorist insurgent organization returned to the legal fold at various military camps along with one BA-91 hand grenade;

Northwest Military Command: One private from the Chin terrorist insurgent organization returned to the legal fold;

Southern Military Command: Two privates from the Karen terrorist insurgent organization returned to the legal fold along with one M-16 assault rifle, one long magazine, one short magazine, and 200 rounds of ammunition. Five privates from the ABSDF [All Burma Students' Democratic Front] terrorist insurgent organization returned to the legal fold along with one radio receiver. One deputy section commander of the Burma Communist Party, White Communist, returned to the legal fold along with one M-16 assault rifle, three magazines, and 20 rounds of ammunition;

Southeast Military Command: Three privates and one section commander from the Mon terrorist insurgent organization returned to the legal fold. One battle officer-level supervisor for sea activities, and four privates from the ABSDF terrorist insurgent organization returned to the legal fold along with three hand grenades. Three privates from the Karen terrorist insurgents returned to the legal fold along with one .38 pistol, one .38 magazine, one hand grenade, one .45 pistol, eight .45 rounds of ammunition, one .45 magazine, one hand-made gun, and six rounds of ammunition;

Eastern Military Command: Four privates from the SURA [Shan United Revolutionary Army] terrorist insurgent organization returned to the legal fold. Three privates from the Loimaw terrorist insurgent organization returned to the legal fold along with two M-16 assault rifles, two magazines, and 32 rounds of ammunition.

From 8 to 19 April, a total of 38 terrorist insurgents have returned to the legal fold after gaining the correct view. It has been learned that they were warmly welcomed by responsible personnel at the military camps.



### **378 More Refugees Repatriated From Bangladesh**

*BK2505072993 Rangoon Radio Burma in Burmese  
0430 GMT 25 May 93*

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of those who illegally left Myanmar [Burma] for Bangladesh, 378 persons from 89 households led by Yahura Islam, a camp official from Bangladesh, arrived at Kanyingyaung reception center on 19 May in nine boats. As of 19 May, a total of 24,900 persons from 5,534 households have been repatriated since 22 September 1992.

## **Brunei, Malaysia & Singapore**

### **Malaysia**

#### **Defense Minister, PRC Minister Discuss Spratlys**

*BK2505100293 Kuala Lumpur BERNAMA in English  
0846 GMT 25 May 93*

[Text] Kuala Lumpur, May 25 (OANA/BERNAMA)—Chinese Defence Minister Gen Chi Haotian today reiterated that the Spratlys' claim dispute will not be a flashpoint in the South China Sea and ruled out any use of military force by Beijing to pursue its claim. This was related by Malaysian Defence Minister Najib Razak after meeting Gen Chi at his office here.

The Chinese leader, who arrived here Monday, is leading a four-member delegation on an eight-day official visit which will also take him to the aircraft inspection, repair and overhaul depot (Airod) facility in Subang, near here.

Najib said Gen Chi told him that while claimants could look forward to long-term and peaceful solution to the claims, military action must be avoided so as not to aggravate the situation. Gen Chi told him China believed that given the prevailing situation, it was unlikely that any conflict in direct relation to the (claim) issue will erupt. We (Malaysia and China) agreed that the climate (for peaceful solution) is positive. However, the principles of settlement and other details are yet to be seen, Najib said.

China, the Philippines, Taiwan, Malaysia, Vietnam and Brunei Darussalam are claiming in whole or in part the Spratlys, a chain of islands in the South China Sea believed to be rich in mineral resources.

Najib also said that Gen Chi had told him China had no interest to fill the power vacuum in the peaceful and fastest growing region of Southeast Asia upon the withdrawal of the military forces of the United States and Russia. In relation to this, Najib said Gen Chi told ASEAN members that they should not fear the on-going military build-up in mainland China. The visitor said China's military budget was relatively small. China's military expansion, Gen Chi said, was to meet its defence requirement, considering the country had a border reaching up to 43,000 km. Gen Chi denied that

the military build-up would include the purchase of two aircraft carriers from the Ukraine and Russia, which was highlighted by the international media. He said there was no such plan, Najid said.

#### **Minister: PNG To Consult Malaysians in Forestry**

*BK2205081893 Kuala Lumpur BERNAMA in English  
0642 GMT 22 May 93*

[Text] Kuala Lumpur, May 22 (OANA/BERNAMA)—The Papua New Guinea Government will consult Malaysians involved in its forestry industry before drafting a new forestry policy, International Trade and Industry Minister Rafidah Aziz said today. She said the Malaysian business sector there were worried about changes in policy which could affect the security of tenure and their investments there.

The PNG Government has assured us that they would consult us during the review, she told newsmen after receiving the Argentinian Foreign Minister Dr. Guido Di Tella at her office here.

Malaysia is the largest investor in PNG after Australia with investments exceeding U.S.\$500 million. Rafidah returned Friday from a five-day trade promotion visit to the South Pacific state.

Malaysians involved in the PNG forestry sector, had in return pledged to eventually venture into related downstream activities, she said.

#### **Commentary Hopes for Better PNG Economic Ties**

*BK2405114593 Kuala Lumpur Voice of Malaysia in English 0800 GMT 24 May 93*

[Station commentary]

[Text] Malaysia's trade and economic ties with Papua New Guinea will become stronger with the signing of the double taxation agreement last week. The Minister for Trade and Industry, Datuk Sri Rafidah Aziz, led a 40-member team to Papua New Guinea. The event highlights the policy of the Malaysian Government to establish links with all countries irrespective of their economic or political ideologies—there is plenty of scope for increasing trade and investment with Papua New Guinea in the true spirit of the South-South movement.

It is significant that the prime minister of Papua New Guinea has spoken of his country's look to Asia policy. Papua New Guinea's geophysical situation makes it an ideal place between the Southeast Asian region and the far South Pacific area. The signs indicate that these two areas will witness even greater economic growth in the next decade.

Minister Rafidah Aziz has pinpointed the East Asia economic region caucus as the ideal vehicle to spur on this dynamic growth. Malaysia will pursue this growth relentlessly in the months to come.



Papua New Guinea has had an economic and political history, which is an exact parallel to that of Malaysia. Economy was based on primary products and [word indistinct] were predominantly where the colonial power left. With the coming of independence, there is an understandable drive for lessening of dependence on one large major market. Malaysia has, of course, been more fortunate than most other countries in being able to diversify its economy. To quote Minister Rafidah Aziz again, there is every prospect of achieving the goal of becoming an industrialized nation by the year 2020.

Papua New Guinea and many other developing countries are quite deliberately emulating Malaysia's example. Malaysia provides assistance to Papua New Guinea under its technical cooperation program. Every year a group of public servants come to Malaysia to take up courses in aspects of administration. They are also able to study at close quarters the Malaysian mode of fostering social and economic progress in a democratic framework. Malaysian companies are quite prominent in the economy of Papua New Guinea. There is a concentration to some extent in the (?team) industry as Malaysia has much experience in this sector.

At the same time, it is probable that many would venture into new fields following the incentive created by the new avoidance of double taxation agreement. Malaysia is in a position to supply Papua New Guinea with a wide range of consumer goods as well as heavy industrial products. One can assess confidently that a new era has started in relations between Malaysia and Papua New Guinea.

#### **Commentary Hails Second National Car Project**

*BK2005145893 Kuala Lumpur Voice of Malaysia in English 0800 GMT 20 May 93*

[Station commentary]

[Text] Malaysia's second national car project marks yet another bold step towards greater industrial development. It also represents further efforts in achieving the nation's aspirations to be fully industrialized by the year 2020.

Thus M2, the second national car, is poised towards to be another success story for a nationally manufactured car—like its predecessor, the Proton Saga.

When Malaysia's first venture into car manufacturing was announced a decade ago, the prophets of doom said the project would be a disaster. Many were not convinced of the viability of the national car, the Proton Saga, besides the (?lack) of technology and expertise and the small domestic market as among the main reasons. It looked like the cynics were right there. But how could Malaysia, a developing nation, undertake such a massive project? After all, car manufacturing was a heavy industry and the forte of industrialized nations like Japan, the United States, and Europe. Today, however, the critics have been silenced. The Proton Saga's success

at home and abroad has been phenomenal including grabbing several British awards in the process. It is also the first (?experimental) car in the tough British market. This indicates that it will [words indistinct] where M2 can emulate the success of the Proton Saga.

For a decade, it has the backing of well-known Japanese firms such as Daihatsu and [name indistinct]. At a price of about 22,000 ringgit and it is easily the most affordable car. As such, it is forecast to make an impact in the domestic market. But the true measure of its success would come from its performance in the export market. At the end of the day, it will be evaluated based on its pricing and quality.

In efforts to penetrate the export market, the experience of the Proton Saga could come in very handy. The foreign partners in the venture could also help ensure to gain access in their own market. This would demonstrate the true spirit of cooperation and transfer of technology from member partners. The Malaysian car project would also filter down to the supporting industries—most of these would be manufacturing auto components. The move would enhance the local content of M2, and this would give numerous opportunities to small and medium scale firms—the muscle of the country's industrial development.

In the process, more jobs would be created to the production of the [word indistinct], marketing and distribution and after-sales service.

Malaysia's second car project is an indication that the country is on the right path towards industrialization. However, Malaysia has already diversified economy based on manufacturing. Truly, it is a success story of a developing nation having made good itself as a model for other developing nations.

#### **Editorial Urges Acquisition of Technical Expertise**

*BK2205132393 Kuala Lumpur NEW STRAITS TIMES in English 21 May 93 p 12*

[Editorial: "Learning The Ropes"]

[Text] Whatever doubt anyone ever had about Malaysia's ability to achieve a developed nation status by the year 2020 should have been laid to rest by now. The rapid pace of the country's industrialisation and the high rate of economic growth during the last few years have shifted the focus from scepticism on our ability to achieve our target to how much sooner can we actually realise it.

Our present route there seems clear but there has been some tinkering and meandering along the way. Since we embarked on industrialisation as a means to develop the country we have, from time to time, to evaluate our progress because there have been instances when happenings elsewhere threatened to derail our plans.



We are now reconciled to the reality that we cannot go it alone not only because we do not have enough money to finance the myriad of projects which have to be undertaken but more important we just do not have the technology relevant to modern manufacturing.

Our solution of encouraging investors from the developed countries to come in with their money and know-how seems to be working. Our export of manufactured goods have long overtaken our raw materials and by all accounts there is effectively no unemployment in the country. Our policy seems to be succeeding only too well judging by the hundreds of thousands of foreign workers needed to carry out work shunned by our own people.

The presence of foreign investors, while welcome, is not without its drawbacks. There has always been the suspicion that the foreigners are out for their own selfish interests and whatever benefits accruing to the host country are purely incidental and are not their priority. Not surprisingly many issues on this subject are being debated.

One such issue is the question of transfer of technology. This is not only a vital but an extremely touchy question whose solution appears nowhere in sight. On the one hand we have the foreign corporation wanting to preserve everything for itself and divulging nothing to the local partners. On the other hand, the host country understandably wants to learn everything and derive as much benefit as possible from the foreigners' presence. It wants to accumulate and build up its store of knowledge and experience to help chart its future direction. It is inconceivable that the host nation gains nothing from the foreign corporation other than employment for its citizens.

From such diametrically opposed views a fine balance has to be struck. As pointed out by our Prime Minister at the ground-breaking ceremony of the Proton casting plant local partners of joint ventures with foreign firms have to accept that no owners of technology will freely transfer their technology but that should not stop the local partners from learning and upgrading it themselves. That this is possible can be seen from the progress achieved by Proton in solving various challenges it faced to become an integrated car-producing company.

What is required is a combination of foreign investors who are ready to share their expertise, local partners who are prepared to learn and the readiness of both parties to put long-term interests before short-term profits. There is no doubt this is a tall order but there is also no doubt the prize at stake is worth the great efforts required to achieve it. The only doubt there is whether all parties involved are ready to play their parts.

## Cambodia

### Hun Sen Hints at Coalition With Non-Khmer Rouge

OW2405125393 Tokyo NHK General Television  
Network in Japanese 1000 GMT 24 May 93

["Exclusive" interview with Premier Hun Sen by unidentified NHK reporter]

[Excerpt] [passage omitted] Even if our party wins the majority in the general election, we would be happy to form a coalition government in harmony with other parties; however, we can never accept parties allying themselves with the Khmer Rouge. To recognize the Khmer Rouge and its allies is just like opening the door and calling thieves into the house.

### Votes in Kompong Cham

BK2405135693 Phnom Penh Samleng Pracheachon  
Kampuchea Radio Network in Cambodian 1300 GMT  
24 May 93

[Text] On the morning of 24 May, His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party and prime minister of the State of Cambodia, went to Kompong Cham Province to vote, accompanied by Prince Norodom Chakkrapong.

H.E. Hun Sen went to one of the biggest polling stations in Kompong Chhnang provincial town at 0900 sharp, an hour after the polling station opened for voting.

Upon leaving the polling station in the Art Festival Hall, H.E. Hun Sen was followed and questioned by local and foreign reporters about various issues relating to the election process, election result, and the situation after the election.

### Ranariddh Confident of Winning 60% of Seats

BK2505012993 Bangkok THE NATION in English  
25 May 93 pp A1-A2

[Text] Prince Norodom Ranariddh was yesterday confident that his Funcinpec [National United Front for an Independent, Peaceful, Neutral and Cooperative Cambodia] Party would win at least 60 per cent of the 120 seats contested in the first Cambodian general election in decades.

Ranariddh claimed that the encouraging turnout of registered voters on the first two days of the six-day constituent assembly poll was favourable to his party.

Funcinpec had planned to give a daily press briefing on the results of the election starting from yesterday, but was forced to cancel the idea as it was against UN Transitional Authority in Cambodia (Untac) electoral laws.

Funcinpec official Wan Kirarath said the party expected to garner eight of the 13 seats in Phnom Penh and 12 of the 18 seats contested in Kampong Cham where the



incumbent Cambodian People's Party (CPP) was widely expected to win the most votes.

Diplomats here viewed that the high voter turnout was an indication that people had freedom of choice and confidence in the election, the first in two decades of authoritarian rule.

"The higher turnout, the better the chance for Funcinpec," said one diplomat.

Earlier estimates indicated that CPP and Funcinpec would run a close race, with Funcinpec trailing a little behind. It was widely expected Funcinpec would fare well in Phnom Penh where at least 100,000 out of 360,000 registered voters are poor and handicapped, and young men forced to enlist in the government's army. Other provinces where Ranariddh's party was also expected to do well included those controlled by Funcinpec or where the Khmer Rouge had infiltrated, such as Banteay Meanchey, Kampong Speu, Kampong Thom and Kandal. These four are heavily contested with 8, 8, 6 and 11 seats, respectively.

But in other provinces in the southeast, like Prey Veng and Svay Rieng, especially where the local population is dense, the CPP is likely to have the edge.

However, Western observers said the voter turnout was estimated according to an independent survey conducted a week before the balloting. "Kandal and Phnom Penh do not represent Cambodia. We have to wait and see," a diplomat said.

According to a UN spokesman, the average turnout in all 19 provinces on the first day was 42 per cent, or 2.1 million of the 4.7 million registered voters.

Observers added however that the high turnout was partly due to; Prince Norodom Sihanouk's return to the capital.

"At least people feel their leader is here with them," they said.

The prince returned from Beijing on Saturday [22 May], after having left Cambodia on April 14, saying he wanted to give the people moral support and encourage them to vote.

Sihanouk yesterday addressed the Dharma Yietra or "Walk for Peace" in front of his palace and appealed to the Khmer Rouge to refrain from using violence and adopt the Dharma to solve problems.

"Give the Cambodian people the peace they deserve," he told more than 2,000 people at the gathering.

### **Son Sann Demands SNC Replace Ieng Mouly**

*BK2505051693 Hong Kong AFP in English 0509 GMT 25 May 93*

[Text] Phnom Penh, May 25 (AFP)—Opposition KPNLF [Khmer People's National Liberation Front]

party leader Son Sann last week asked that his colleague Ieng Mouly be replaced on Cambodia's Supreme National Council (SNC), indicating deep differences emerging in the party's leadership. In a letter sent Sunday [23 May] to SNC chairman Prince Norodom Sihanouk, of which a copy was obtained by AFP, Ieng Mouly said he rejected the demand and asked to keep his position on the council.

The dispute between Son Sann and Ieng Mouly, who both sit on the SNC as representatives of the Khmer People's National Liberation Front (KPNLF), will likely be debated during a SNC meeting Saturday [29 May], sources close to Sihanouk said. Son Sann, who heads the KPNLF, had demanded in a letter also sent Sunday to Sihanouk that the prince approve the nomination to the SNC of lawyer Say Bory to replace Ieng Mouly. Son Sann said Friday [21 May] he had proposed another replacement, his close collaborator Penn Thol, who turned the offer down. Say Bory is candidate for the KPNLF's political arm, the Buddhist Liberal Democratic Party (BLDP) in Kandal province surrounding Phnom Penh.

Son Sann's secretary Thach Reng said "so far we have no comment. The president will give a comment after the (Cambodian general) election is over."

Son Sann's demand could be difficult to meet, according to a source close to the Royal Palace, since all SNC decisions have to be made by consensus and Ieng Mouly is likely to exercise his veto power.

The SNC groups representatives of Cambodia's major factions in a reconciliation body set up to run the country ahead of ongoing international elections. The elections, which began Sunday, run until May 28 and will choose 120 representatives for a new National Assembly. Following the elections, a constituent assembly is to be called and a new government formed in accordance with peace accords signed in Paris in October 1991, which ended the Cambodian civil war. The SNC would also be dissolved once a government is formed.

The leadership rift became apparent just before the elections began and was focussed on the KPNLF's actual participation in the polls, diplomats said. Son Sann, according to sources, was in favour of withdrawing the BDLP from the elections but Ieng Mouly wanted it to remain in the contest. Diplomatic sources said Son Sann was in a minority on the issue debated at a meeting late last week of the KPNLF's political committee. Son Sann is currently on the BLDP ballot for elections in Phnom Penh, while Ieng Mouly heads the party's candidate list in the province of Prey Veng.

Observers here have predicted the BLDP will finish in third place in the polls, but far behind the ruling Cambodian People's Party (CPP) and the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party led by Sihanouk's son, Prince Norodom Ranariddh. The KPNLF, backed by the United States during



the 1980s, was one of two non-communist opposition groups to fight alongside the Marxist Khmer Rouge and FUNCINPEC against the Phnom Penh government.

### **Opposition Party Leadership Split Emerges**

*BK2505133693 Hong Kong AFP in English 1327 GMT 25 May 93*

[Text] Phnom Penh, May 25 (AFP)—A split in one of Cambodia's main opposition parties emerged Tuesday on the third day of general elections, with one of its top leaders saying he would form his own party after the polls. Ieng Mouli of the Buddhist Liberal Democratic Party (BDLP), the political wing of the Khmer People's National Democratic Front (KPNLF), is at odds with the party's president Son Sann, a former Cambodian prime minister.

Son Sann last week told Prince Norodom Sihanouk, chairman of the Supreme National Council (SNC) which groups the main factions, that he wanted to replace Ieng Mouli as one of the two KPNLF representatives on the SNC.

"I will stay with the BDLP until the end of the elections then I will see about starting my own party", Ieng Mouli told AFP. He said he would use his right of veto against Son Sann at the next SNC meeting on Saturday [29 May]. Ieng Mouli said the differences with Son Sann centred on the BDLP president's desire to pull out of the elections, which began Monday and will go on until Friday. "He wanted to pull out, I wanted to stay in," he said.

The BDLP is expected to come a poor third in the polls behind the Phnom Penh government party and the pro-Sihanouk FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

Son Sann said in a letter to Prince Sihanouk Sunday that he wanted lawyer Say Bory to replace Ieng Mouli. Son Sann's secretary Thach Reng said Tuesday, "so far we have no comment. The president will give a comment after the (Cambodian general) election is over."

Son Sann's demand could be difficult to meet, according to a source close to the Royal Palace, since all SNC decisions have to be made by consensus. Diplomatic sources said Son Sann was in a minority on the issue debated at a meeting late last week of the KPNLF's political committee. The KPNLF, backed by the United States during the 1980s, was one of the two non-communist opposition groups, the other being FUNCINPEC, to fight alongside the Marxist Khmer Rouge against the Phnom Penh government until the Paris peace accords of November 1991 which paved the way for elections.

### **Voter Turn-out Tops 70% by 3d Day of Elections**

*BK2505071893 Hong Kong AFP in English 0703 GMT 25 May 93*

[Text] Phnom Penh, May 25 (AFP)—More than 70 percent of Cambodians registered to vote in ongoing week-long U.N.-sponsored national elections cast their ballots in the first two days of polling, a U.N. spokesman said Tuesday.

By late Monday [24 May], some 3,318,000 Cambodians had turned up for the polls, spokesman Eric Falt said.

The election continues until Friday [28 May], but has been boycotted by the Khmer Rouge who consider it a "farce" to legitimize the government in place in Phnom Penh.

Despite sporadic incidents the Khmer Rouge have not used force to disrupt the polls as had been feared.

Falt said that turnout had exceeded 80 percent in three provinces in the first two days of voting—84.3 percent in Kandal, the province which surrounds Phnom Penh, 82.5 percent in Battambang, the rich rice-growing northwest province, and 80.1 percent in Prey Veng, in the southeast bordering Vietnam.

Phnom Penh, with a 70.7 percent turnout, was in line with the national average, said Falt.

The province with the lowest turnout so far was Mondulkiri, a mountainous region neighbouring Vietnam, with 47.6 percent.

Low turnouts were also recorded in the eastern provinces of Kratie, with 48.4 percent, and Kompong Cham at 50.5 percent.

### **KYODO Exit Poll Shows FUNCINPEC Leading**

*OW2505025993 Tokyo KYODO in English 0233 GMT 25 May 93*

[Text] Phnom Penh, May 25 KYODO—The royalist party led by the son of Prince Norodom Sihanouk is leading in the ongoing Cambodian general election, according to exit polls carried by KYODO NEWS SERVICE. The exit polls of some 415 voters in four major cities—Phnom Penh, Kompong Thom, Kompong Cham and Siem Reap—were conducted Sunday [23 May] and Monday. The response rate was 77 percent. Ninety-five voters declined to reveal for which party they voted.

The National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia (FUNCINPEC) tops the exit poll with 173 Cambodians or 42 percent of the respondents. FUNCINPEC is led by Prince Norodom Ranariddh, son of Supreme National Council (SNC) Chairman Sihanouk.

The Cambodian People's Party (CPP) of the Vietnam-backed Phnom Penh government had 119 votes or 29 percent, the poll says. Diplomatic sources in Phnom



Penh said the CPP will catch up in rural areas where its main power base lies. In Cambodia, some 75 percent of the population live in rural areas. The diplomatic sources predict the CPP eventually will share the 120 seats at stake in a planned national assembly evenly with FUNCINPEC or will take a slight lead.

The Buddhist Liberal Democratic Party (BLDP), political wing of Son Sann's Khmer People's National Liberation Front (KPNLF), took seven of the exit poll votes or about 1.7 percent.

The Liberal Democratic Party (LDP) led by Gen. Sak Sutsakhan, a breakaway party from the KPNLF, obtained five votes or 1.2 percent of the respondents, the exit poll shows.

Other 16 people voted for various minor political parties.

Some 20 political parties are contesting Cambodia's first general election in 21 years.

In the capital, 44 percent of those surveyed said they voted for FUNCINPEC, while only 18 percent cast their ballots for the CPP. Thirteen seats are at stake in Phnom Penh.

In Kompong Cham, where Phnom Penh government Prime Minister Hun Sen is running for a seat, the CPP gained only 14 percent, while the FUNCINPEC party got 56 percent of the exit poll votes.

In Kompong Thom and Siem Reap, however, the CPP took a slight lead against FUNCINPEC. In Kompong Thom, the CPP secured 47 percent against FUNCINPEC's 40 percent.

In Siem Reap in southwestern Cambodia, the CPP got 34 percent while FUNCINPEC obtained 32 percent, the KYODO poll shows.

Observers said FUNCINPEC apparently succeeded in its election campaign in major cities, making the best use of Sihanouk's popularity. Ranariddh promised during the election campaign that if FUNCINPEC wins, he will hand over complete authority to his father.

### **Akashi Declares Poll 'Great Success'**

*OW2505080093 Tokyo KYODO in English 0730 GMT 25 May 93*

[By Masanori Kikuta]

[Text] Phnom Penh, May 25 KYODO—Well over three million Cambodians, or almost 70 percent of registered voters, have cast ballots in the country's first national election in 21 years, leading the head of the United Nations peacekeeping mission Tuesday to declare the poll "a great success."

Yasushi Akashi, chief of the U.N. Transitional Authority in Cambodia (UNTAC), told KYODO NEWS SERVICE the final turnout in the six-day polls will likely reach 80

percent and preliminary results will be known June 1, four days after the election ends Friday. In the first two days of voting till Monday, 3,318,314 voters went to polling stations across Cambodia, UNTAC spokesman Eric Falt said.

The number represents 69.6 percent of the 4,764,430 voters registered in 19 provinces and two special districts, including Phnom Penh. The turnout has topped 80 percent in four provinces, including the westernmost province of Battambang where the radical Khmer Rouge rebel group, which has vowed to disrupt the polling, is based and widely active.

Tuesday was the final day of voting at fixed polling stations, where a "light but steady" turnout continued, Falt said. Voting will continue in the next three days at mobile stations in remote areas. There was no serious violence against polling stations reported overnight and Tuesday morning, the spokesman said.

The only incident was a grenade explosion at the office of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] opposition party in Sihanoukville, a port town in southern Cambodia, but there was no injury. A small clash occurred between Khmer Rouge and Phnom Penh Government troops in the central province of Kompong Chang, but had no effect on voting, the UNTAC spokesman said.

A government spokesman said earlier Tuesday a massive Khmer Rouge attack early Monday forced government troops to withdraw from an area in the northern province of Preah Vihear, but that Phnom Penh forces "will retake the place again."

The Khmer Rouge is boycotting the election even though it signed the 1991 Paris peace accord with three other warring factions, saying the poll will only legitimize the Vietnam-installed Phnom Penh Government. On Monday [24 May], some 200 Khmer Rouge soldiers voted at the Thai border crossing of Poipet, but Akashi, interviewed aboard a C170 transport plane on a provincial tour, called it "an isolated incident."

The election is for a 120-seat Constituent Assembly, which is to form a new government about three months after the polls.

FUNCINPEC, led by Prince Norodom Ranariddh, is leading the election contested by 20 parties, according to KYODO exit polls in four major cities. FUNCINPEC, a French acronym for the United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia, groups followers of head of state Prince Norodom Sihanouk, father of the party leader. [sentence as received]

The noncommunist group, a former Khmer Rouge ally in the 13 years of civil war against Phnom Penh, is followed by the ruling Cambodian People's Party of Prime Minister Hun Sen, the polls showed.



### **Says Transition Force Pull-out on Schedule**

*OW2505104093 Tokyo KYODO in English 1027 GMT 25 May 93*

[Text] Phnom Penh, May 25 KYODO—The head of the United Nations peacekeeping mission in Cambodia on Tuesday declared the country's first national election in 21 years "a great success" and said preliminary results will be known on June 1, several days earlier than previously expected. Voter turnout in the U.N.-supervised election is "better than thought" despite rebel Khmer Rouge threats to disrupt it, said Yasushi Akashi, chief of the U.N. Transitional Authority in Cambodia (UNTAC). With almost seven out of every 10 registered voters having cast their ballots in the first two days of the six-day election ending Friday [28 May], Akashi said the final turnout will reach 80 percent. Akashi made the remarks in an interview with KYODO NEWS SERVICE aboard a C170 transport plane during a tour of provincial polling stations. "We will know the winner of the election after getting the expected preliminary returns, unless the race turns out to be too close between the two major contenders," he said.

The ruling Cambodian People's Party, under the leadership of the Phnom Penh Government's Prime Minister Hun Sen, is running neck and neck in the polls with the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party, led by Prince Norodom Ranariddh, son of Cambodian head of state Prince Norodom Sihanouk. There are a total of 20 parties competing in the election.

Akashi ruled out any change in the strategy of the communist Khmer Rouge faction, which has vowed to thwart the election with violence on grounds it will only serve to legitimize the Vietnam-installed Phnom Penh Government.

UNTAC polling officials said some 200 Khmer Rouge soldiers voted in a surprise move Monday [24 May] in Poipet on the border of Thailand. The Marxist guerrilla group is also allowing villagers in areas under its control to go to the polls, spawning speculation it may have chosen to join the vote in support of FUNCINPEC, its former anti-Phnom Penh coalition partner.

Akashi called the Poipet development "a pretty isolated incident." The Khmer Rouge "has not changed its basic strategy" to sabotage the election, Akashi said. "We must remain on the alert against possible future attacks." The 22,000-strong UNTAC will be able to end its 18-month mandate on schedule and withdraw, possibly as soon as early September, after the new government is set up, he said.

### **UN Closes Polling Station After Shelling**

*BK2505115893 Hong Kong AFP in English 1151 GMT 25 May 93*

[Text] Poipet, Cambodia, May 25 (AFP)—United Nations peacekeepers closed a polling station in northwest Cambodia Tuesday after three shells, fired by

unknown gunners, landed nearby, officials said. The polling station at Dong Aran on Route 5, near this border town, was closed after three shells landed some 400 metres (yards) from the site early Tuesday. No one was injured in the attack and U.N. officials advised people to vote at other stations nearby. Apart from the attack on Dong Aran polling continued without incident in northwest Cambodia Tuesday, the third day of Cambodia's election. Turnout appeared to be lighter than on the first two days of voting.

## **Indonesia**

### **Daily Views Cambodian Election Situation**

*BK2505080393 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 25 May 93*

[From the press review]

[Text] MEDIA INDONESIA discusses current elections in Cambodia, which began on 23 May and are scheduled to end on 27 May. The Cambodian people's strong enthusiasm over the elections demonstrates their determination to create peace and order in their country. Witnessing Cambodia's long journey toward the current elections is a tiresome and expensive exercise.

However, it does not mean that the elections will solve the problem. Since February, the Khmer Rouge has voiced its opposition to taking part in the elections and even launched several armed attacks. In this connection, MEDIA INDONESIA wonders if the election results will make Cambodia move nearer to peace and how a new Cambodian Government will function without the Khmer Rouge. Nevertheless, MEDIA INDONESIA believes that the scenario is getting clearer in that whatever stand the Khmer Rouge adopts, the international community has every reason to support the new government resulting from the elections.

### **Reportage, Commentary on Rebel Leader's Trial**

#### **Gusmao Sentenced to Life**

*BK2105123993 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 21 May 93*

[Text] A council of judges chaired by Hironymus Godang as the presiding judge today sentenced to life imprisonment Jose Gusmao, alias Xanana Gusmao, East Timor rebel chief and the highest-ranking leader of Fretilin [Revolutionary Front for an Independent East Timor], at the 21st trial session at the Dili District Court. ANTARA correspondents reported from Dili that Xanana looked quiet when the sentence was passed. In the meantime, Sujono, Xanana's legal counsellor, has yet to indicate whether to accept or appeal the verdict passed by the council of judges. The situation in Dili was peaceful and under control when the verdict was read; people carried on with their lives as usual.



[Hong Kong AFP in English adds the following in a Sydney datelined item at 1058 GMT: "Australia said Friday it awaits an appeal by East Timorese pro-independence leader Xanana Gusmao, jailed for life by an Indonesian court for plotting against the state and the illegal possession of firearms, before making any specific comment.

["A spokeswoman for Foreign Minister Gareth Evans said the minister 'understands that he (Gusmao) is entitled to appeal against the decision or seek a presidential clemency.'

["Evans was quoted as saying: 'It would not be appropriate for me to comment in detail on the trial process until I have received a thorough assessment from the embassy in Jakarta and the question of clemency is settled.'"]

### UN Denies Influencing Trial

*BK2105132393 Hong Kong AFP in English 1025 GMT 21 May 93*

[Text] Jakarta, May 21 (AFP)—A U.N. office here rejected on Friday allegations that an East Timorese rebel leader being tried for separatism was influenced by a U.N. envoy to take a more aggressive defence posture at his trial. Local U.N. Information Centre Director Hazel Burnett said U.N. Secretary General Butrus Butrus-Ghali's personal envoy, Amos Wako, had only gathered information on the human rights situation in East Timor during a trip there last month.

The statement followed allegations by rebel leader Xanana Gusmao's defence lawyer, Sujono, and local military commander Major General Theo Syafei, who said earlier that Wako may have influenced Gusmao to fight the government's case harder. They said he was cooperating with the prosecution until Wako's April 5 visit with him in the East Timorese capital of Dili, but after that took a more defiant line.

But Burnett rejected the Indonesian charges. "The idea that Mr. Wako might have played any active role at such meetings, let alone provide encouragement to anyone towards any particular course of action, is entirely without foundation," Burnett said.

Butros-Ghali has since 1983 sponsored talks between Indonesia and Portugal aimed at peacefully resolving the East Timor dispute. Neither the United Nations nor Portugal, the former colonial power, recognize Jakarta's sovereignty over the island, which Indonesia unilaterally declared its territory in 1976. The U.N. statement said Wako was primarily gathering information on the human rights situation in the wake of the November 12, 1991 massacre of East Timorese nationalist supporters by Indonesian troops in Dili.

Foreign Minister Ali Alatas, warning Indonesians to be cautious when making accusations against the U.N. envoy, said earlier he would investigate the allegations, possibly by meeting Butrus-Ghali or Wako in person.

The Dili court Friday sentenced Gusmao, 46, to life for rebellion, conspiracy, illegal possession of firearms and trying to set up a separate state.

### Gusmao To Seek Clemency

*BK2205151093 Hong Kong AFP in English 1335 GMT 22 May 93*

[Text] DENPASAR, Indonesia (AFP)—East Timorese separatist leader Xanana Gusmao will not appeal his sentence of life imprisonment but will seek presidential clemency instead, his lawyer said here Saturday.

"There will be no appeal but I intend to seek presidential clemency next week," Sujono (eds: one name) told AFP in the resort island of Bali while waiting for a flight back to Jakarta. Asked why there would be no appeal, the lawyer said: "We would be wasting our time".

An Indonesian court in East Timor on Friday [21 May] found Gusmao, 46, guilty of plotting against the state and illegally possessing firearms. The court acceded to a prosecution request to sentence him to life in prison. The clemency request could mean a request for a shorter sentence, Sujono said. In Indonesia, life imprisonment means natural life.

"Xanana's family said that it would be a good idea to request clemency," Sujono said.

Gusmao's own attitude on clemency is not known, but the traditional stance of his FRETILIN pro-independence group has been to decline asking the Indonesian government for any favors and Gusmao has not indicated he recognizes the government's authority.

Meanwhile, Indonesian Foreign Minister Ali Alatas said in Jakarta that the judicial process was not over yet because Gusmao could still launch an appeal or seek clemency. Observers said Alatas' comments may have reflected the thinking of President Suharto and other top officials, who because of international concern over the trial may be leaning toward clemency of some type for Gusmao.

Alatas, speaking to journalists after meeting his visiting Tunisian counterpart Habib Ben Yahya, said he believed the judge had "rightly intervened" when he ordered the defendant to cut short the reading of his defence plea on May 17. On that day, the judge stopped Gusmao's reading of his 27-page defense plea in Portuguese, after he had covered less than three pages, saying its contents were unrelated to the trial.

The U.S.-based Asia Watch human rights organization accused Jakarta of violating Gusmao's rights by not according him "rights to freedom of expression and a fair trial." But Alatas defended the court's decision.

"It was made very clear to him (Gusmao) that this defense should be related to the case," Alatas said, adding that Gusmao's plea covered unrelated topics such as the Indonesian general election.



"He could say anything in his defense that was relevant to this trial," Alatas added. "The Indonesian general election is not tried in the court, so he was interrupted. We are very sorry that that had to be done. But the law is the law and the executives cannot interfere in the judicial process. Here are a panel of judges who applied Indonesian law properly."

Alatas said he believed the verdict would not affect bilateral talks between Indonesia and Portugal in September despite Portuguese President Mario Soares' description of the trial as "a mockery of justice."

"All along they knew of Xanana's trial," the Indonesian foreign minister said. "It is not something new. Nothing was hidden. I do not know how suddenly it would, in one way or another, inject new elements in the talks."

Indonesian troops invaded East Timor, a former Portuguese colony, in 1975, and declared it part of Indonesia the next year, but Portugal and the United Nations have refused to recognize Indonesian sovereignty.

In the trial, which began February 1, Gusmao accepted responsibility for various actions by members of FRETILIN, which he headed from 1979 until his arrest in Dili last November 20. FRETILIN has fought Indonesian troops since their invasion.

#### **Alatas, Parliamentary Comment**

*BK2305065493 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 23 May 93*

[Text] Foreign Minister Ali Alatas said that the life imprisonment sentence passed down on Jose Gusmao Xanana, East Timor rebel chief and leader of Fretilin [Revolutionary Front for an Independent East Timor], was the court's verdict after a series of trials carried out according to the proper judicial process and Indonesian law. During the trials, several witnesses testified and his guilt was proved by valid evidence.

Speaking to reporters in Jakarta, Minister Ali Alatas said that the court's decision was the first stage in the judicial process. He reiterated that the judicial process in Xanana Gusmao's case is not over yet. He said there would probably be some new developments later.

Meanwhile, the deputy chairman of Parliamentary Commission II [in charge of the Home Affairs Department, the state administrative board, and reform of the state apparatus], Ansori Ahmad, said that the life imprisonment sentence for Xanana Gusmao was fair and appropriate considering his misconduct thus far. He added that when compared to sentences for deception cases in other countries, such as the Middle East, the verdict would be the death sentence. Therefore, Ansori Ahmad said it was baseless for the Portuguese Government to condemn the verdict of Gusmao's trial and claim that it was unfair.

#### **Daily Views Trial**

*BK2405074793 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 24 May 93*

[From the press review]

[Text] BERITA BUANA says the recent trial of East Timor rebel leader Xanana Gusmao is a good lesson for the Indonesian people. Xanana admitted that his drastic change of behavior during the trial was related to his meeting with Amos Wako, the UN special envoy. Xanana's confession may or may not be true, but indeed it is not easy for us to be a nation that wants to do something good and adopt an open and honest stand. As a nation that believes in the justice of Almighty God, we are convinced that we still have the chance to act in line with our own convictions in cleaning up our own house.

#### **E. Timor Commander: Unemployment 'Main Problem'**

*BK2405041793 Jakarta TEMPO in Indonesian 10 Apr 93 p 28*

["Excerpts" of interview with Brigadier General Theo Syafei, commander of the East Timor Operations Command, by TEMPO correspondents Kelik Nugroho and Putu Wirata—place and date not given]

[Text] [Nugroho/Wirata] What about the security situation in East Timor and the strength of Fretilin [Revolutionary Front for an Independent East Timor]?

[Syafei] Compared to the corresponding month last year, the current security situation is very good. It is true that GPK [Security Disturbance Movement] members still exist. They have 104 weapons and are scattered in 14 groups in six districts. This means that one group only has six to 15 weapons. Militarily speaking, they are no longer significant.

[Nugroho/Wirata] The East Timor Operations Command will soon be dissolved. What would you do with security arrangements?

[Syafei] The East Timor Operations Command will indeed be dissolved this month. After that, East Timor will be under the jurisdiction of a Military Resort Command, which will consist of several battalions for territorial operations.

[Nugroho/Wirata] Does it mean a massive reduction of troops from the province?

[Syafei] There are 10 army battalions assigned in East Timor until October. By March 1994, only six to eight battalions will remain there. The reduction of troops will be completed in 1995. There will be troops for territorial operations only, not combat troops. The number of troops assigned there will be reduced every six months if there are no subversive activities.

[Nugroho/Wirata] What is the main problem facing East Timor now?



[Syafei] Unemployment. During the Portuguese colonial era, there were very few primary school graduates and they were immediately employed after graduation. Now there are 590 primary schools in 442 villages in East Timor. There are 66 high schools which annually produce about 4,000 graduates. It is impossible for the government to provide jobs to so many graduates. Therefore, we need investors, but if the investors are merely profit-oriented, it is hard for East Timor to compete with Java. If we want to set up factories, the products must be marketed in Java and the raw materials must come from outside East Timor. The 20-billion-rupiah budget for East Timor will eventually return to Java.

[Nugroho/Wirata] There were talks that 10 leading businessmen grouped in the East Timor COR [expansion unknown] Co. Ltd., are planning to set up a factory in East Timor. What about it?

[Syafei] As what former East Timor governor Carrascalao said, it is still only a plan. The 10 businessmen signed an agreement in December 1991, but so far nothing has materialized. This has produced a negative impact in the eyes of the East Timorese people, especially after the news made headlines at that time. It made people begin to have doubts on the government as there are now 25,000 unemployed junior and high school graduates. If the unemployment problem is not solved, these unemployed people will be easily provoked.

[Nugroho/Wirata] What is your most impressive experience as commander of the East Timor Operations Command?

[Syafei] The East Timor Church has assisted me a lot in my efforts to create the correct public opinion. People have also become more realistic after the Dili Incident. The voyage of the [Portuguese-backed] Lusitania Expresso ship also helped me in showing to the people that it was only a provocative act. Now the situation has become calmer. I believe this is the reason why the trial of [captured East Timor rebel leader] Xanana Gusmao is not well attended.

## Laos

### Interview Denies Thai Allegations on Annexation

BK2405054593 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 21 May 93

[Interview with Souphasai Souphanouvong by unidentified PASASON correspondent on 20 May—read by announcers]

[Text] Repected listeners, yesterday Souphasai Souphanouvong gave an interview to a correspondent of the Vientiane PASASON newspaper on an allegation made by the Soi Suan Phlu columnist [M.R. Khukrit Pramot], in the Thai SIAM RAT newspaper on 8 May [date as heard], which carried the text of a document called "The

Historic Plan for the Liberation and Unification with the Lao People's Democratic Republic [LPDR] of the Northeastern Region." The Thai newspaper claimed that the document was written by Souphasai Souphanouvong.

The following is the text of the interview:

[PASASON] What is your opinion of the article appearing in the Soi Suan Phlu column of the Thai SIAM RAT newspaper on 8 May alleging that the LPDR has hatched a plan to liberate the northeast region of Thailand. Your name has been associated with that plan.

[Souphanouvong] The so-called Soi Suan Phlu column in the 8 May edition of the Thai SIAM RAT newspaper carried a fabricated story slandering the policy of the Lao Government. It also alleged that I was the one who signed the document it presented. I have a university-level education and I know how to spell my name. I have never written my name with the title of prince as published in the Thai newspaper. This alone is proof that I was not the person who wrote that document. It is also evidence that the document was fabricated by an ill-intentioned party using my name with the aim of undermining the ever-growing good relations between Laos and Thailand.

[PASASON] How do you feel about the fabrication made by SIAM RAT newspaper?

[Souphanouvong] I was born to a family that has ardently and consistently fought for the policy of the Lao Government aimed at developing and enhancing unity among the multiethnic Lao people as well as between Lao people and peoples in other countries, including Thai people. That is why I always support and laud the correct and just policy of the LPDR Government. I will never do anything that runs counter to the interests of the LPDR or the policy of the Lao Government. I am very indignant at any attempt to make fabrications in any form against this policy, especially in the case of the Thai paper printing on 8 May a fabricated document slandering the Lao Government.

[PASASON] How do you appraise the attitude of this Thai newspaper?

[Souphanouvong] The Soi Suan Phlu columnist said in part that the fabricated document was just printed for its readers' fun and amusement. In response, I would like to ask what kind of newspaper is SIAM RAT? How dare it take the interest of the Thai nation for granted and make fun of it. Is SIAM RAT trying to oppose the state power of the Kingdom of Thailand which is making both physical and financial contributions to aid and develop friendship with the LPDR? Any slander or fabrication will never serve to enhance the honor nor prestige of any newspapers in the world. SIAM RAT has many experienced, honest, and outstanding personnel who can bring honor and prestige to their newspaper without relying on anyone else. Well, one feeble-minded and disabled person can bring disgrace to this newspaper. I sincerely



hope that SIAM RAT will cease printing groundless and fabricated stories about the LPDR but contribute to promoting cooperation, peaceful coexistence, and friendship between Thailand and other countries in this region.

#### **Thai Defense Minister Arrives for 3-Day Visit**

*BK2405062393 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 24 May 93*

[Text] At 1000 today, His Excellency [H.E.] General Wichit Sukmak, defense minister of the Kingdom of Thailand, and his delegation arrived in Vientiane from Bangkok to pay a three-day official friendship visit to the Lao People's Democratic Republic [LPDR] at the invitation of H.E. Lieutenant General Choummali Saigason, national defense minister of the LPDR.

#### **Activities Reported**

*BK2505102793 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 25 May 93*

[Text] At 0930 on 24 May, General Wichit Sukmak, defense minister of the Kingdom of Thailand, his wife, and delegation arrived in Vientiane by a special plane of the Royal Thai Air Force on an official friendship visit to the Lao People's Democratic Republic [LPDR] on the invitation of Lieutenant General Choummali Saigason, minister of national defense of the LPDR.

At Wattai International Airport, Gen. Wichit, his wife, and the delegation were accorded an honorable welcome by Lt. Gen. Choummali Saigason, national defense minister, and his wife; Lt. Gen. Ai Souli-gnaseng, deputy national defense minister and chief of the Army General Staff Department; Lt. Gen. Siphon Phalikhan, deputy national defense minister and chief of the Army General Political Department; Major General Soulima Bounleut, deputy chief of the Army General Political Department; Brigadier General Savai Saigasena, chief of the Army Inspection Department; and Brig. Gen. Bounthon Chitvilaphon, deputy chief of the Army General Staff Department; as well as a number of high and medium ranking military officers of the National Defense Ministry. Colonel Thawisak Phetsali, military attache of the Kingdom of Thailand to the LPDR was also on hand at the airport.

Later in the morning of 24 May, after arriving in Vientiane, Gen. Wichit Sukmak, his wife, and delegation proceeded to lay wreaths at the monument of unknown combatants and visited a Buddhist temple, Vat That Louang.

In the afternoon of the same day, the Thai defense minister and his delegation met with the LPDR National Defense Ministry delegation at the Latsavong Hotel. Afterwards, they paid courtesy calls on the president and prime minister of the LPDR.

#### **Thai Minister Meets President, Premier**

*BK2505022993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 May 93*

[Text] Yesterday in Vientiane, His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], and H.E. Khamtai Siphandon, prime minister of Laos, separately received courtesy calls from General Wichit Sukmak, defense minister of the Kingdom of Thailand, and his delegation. The Thai Defense Ministry delegation is paying an official friendship visit to the LPDR from 24 to 26 May.

On these occasions, Lao leaders expressed appreciation to the high-level delegation of the Thai Defense Ministry for visiting Laos. They said the visit provides good opportunities for the national defense ministries of Laos and Thailand to strengthen their relations and exchange views. At the same time, the visit to Laos by the Thai defense minister marks an important milestone for the further improvement and development of the long-standing brotherly and neighborly bilateral relations, remarked the Lao leaders.

#### **Vientiane Delegation Departs for Beijing, Kunming**

*BK2405122093 Vientiane KPL in English 0904 GMT 24 May 93*

[Text] Vientiane, May 24 (KPL)—A delegation of Vientiane Prefecture headed by Oudom Khatthi-gna, Politburo member of the Lao People's Revolutionary Party Central Committee and secretary of the party committee and mayor of the prefecture, left on May 22 for China.

The one-week schedule of the delegation includes the visit to Beijing, and Kunming, Yunnan Province.

The delegation will discuss and draw experiences in agriculture, food processing industries, and municipal management and administration, and visit production bases and ancient sites.

The visit is in response to the invitation of the mayors of Beijing and Kunming.

#### **Oudomsai Provincial Delegation Visits SRV**

*BK2305125493 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 21 May 93*

[Text] On 20 May, a high-level delegation of Oudomsai Province led by Saipengli Saoboukou, secretary of the party committee and governor of the province, left for a visit to Nam Ha Province of the SRV. The visit was in response to an invitation of Bui Xuan Son, member of the Communist Party of Vietnam [CPV] Central Committee and secretary of the party committee of Nam Ha Province.

The purposes of the visit are to strengthen relations between the two provinces—Oudomsai and Nam Ha—and to exchange experiences on implementation of the restructuring work in each country in general and in



Oudomsai and Nam Ha Provinces in particular. During the visit, the Oudomsai provincial delegation will also discuss with the Vietnamese side various tasks, in particular cooperation in carrying out work in the agricultural and forestry, and communications, transport, posts, and construction as well as educational, public health, and trade fields.

After ending the visit to Nam Ha Province, the delegation will also proceed to Son La Province and the Dien Bien Phu battlefield.

### **Premier Sets Fees To Be Charged on Tax-Free Goods**

*BK2105083193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 20 May 93*

[Decree issued "in early May" by Prime Minister Khamtai Siphandon on the fixing of a rate for collecting administrative fees from imported goods exempt from import duties]

[Text] With reference to the Constitution of the Lao People's Democratic Republic [LPDR] dated 14 August 1991; Decision No. 26 dated June 1989 made by the Council of Ministers on the state taxes and fees system as well as many other amended decisions; and the law on foreign investment in the LPDR enforced by State Presidential Decree No. 044/P.P.T dated 25 July 1988; and based on a proposal made by the minister of finance to generate revenues for state budgets, the prime minister has issued a decree as follows:

Article 1. A flat rate of 5 percent as an administrative fee is to be charged from the value of all imported goods, items, and raw materials arriving at the Lao border with import tax and import duty exemption.

Article 2. The administrative fees will be exempted for the following goods: goods imported by foreign embassies and international organizations in Laos, especially those goods which are in amounts that are appropriate for the actual requirements of those organizations, as defined by the Ministry of Foreign Affairs and the Ministry of Finance.

Article 3. The sale, exchange, and transfer of all goods, items, and raw materials mentioned above is prohibited.

The prime minister has instructed the Ministry of Finance to strictly and effectively put this decree into actual practice.

### **Chaleun Yiapaoheu Views Assembly Achievements**

*BK2505043993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 May 93*

[Text] Chaleun Yiapaoheu, member of the Standing Committee of the third National Assembly and chief of the Secretariat Commission of the assembly, said that since the day of the general election, 20 December 1992, National Assembly members have fulfilled their tasks

and commitments in an honorable and responsible manner worthy of the confidence the people have placed in them. They have made satisfactory achievements, such as approving the draft national budget for 1993, endorsing laws on National Assembly members and a number of other laws. Chaleun Yiapaoheu talked about achievements made by members of the third National Assembly and future work plans of the assembly as follows:

[Begin Chaleun recording] Since its inaugural meeting, the third National Assembly has continuously performed its major duties and has attained a number of achievements.

First, it has laid out an annual work plan for 1993. The 1993 work plan stipulates the stepping up and improving of organization by the National Assembly from that in the Office of the National Assembly to organization and activities of National Assembly members in various localities.

Second, it has revised laws on the National Assembly, such as internal regulations, of which the draft will be discussed in this meeting on political activities.

Third, we have sent assembly members to meet the people in each constituency to publicize the success of the inaugural meeting of the third National Assembly. Through such activity carried out in various areas, the people have shown their keen interest in the performance of the third National Assembly and have confidence in the renovation policy of our state and party. With this reason, in order to further modify such a success, after the end of this political activity, the third National Assembly will continue to perform its duties more efficiently. In September 1993, there will be the first ordinary session of the third National Assembly aimed at considering and making decisions on the national socioeconomic development plan for the 1993-1994 period and the state budget plan for 1994. At the same time, the meeting will also discuss some other important issues in connection with the National Assembly. It will discuss revision of some major laws, such as investment law, labor law, and a number of other laws.

Therefore, I now urge all multiethnic Lao people to hold aloft the sense of self-mastery and patriotic spirit, even more seriously than before, and support the carrying out of activities of National Assembly members. Furthermore, I urge them to increase unity among them, actively protect their respective localities, fulfil their obligations to contribute to the national construction and development in order to gradually bring new changes, new phases, and new life to their localities. [end recording]

### **Correction to Somsavat To Visit Thailand**

*BK2505071193*

The following correction pertains to the item headlined "To Visit Thailand 30-31 May", published in the 24 May East Asia DAILY REPORT, page 54:



Column one, third paragraph, only sentence make read:  
...of Thailand from 27-31 May, correcting month.

## Philippines

### Editorial Salutes Success of Cambodian Elections

HK2505032093 Manila THE MANILA CHRONICLE  
in English 25 May 93 p 4

[Editorial: "Cambodia's First Blush of Democracy"]

[Text] Braving monsoon rains and Khmer Rouge bullets, more than a million Cambodians trooped to polling sites last Sunday in Cambodia's first free elections in more than 40 years. Despite Khmer Rouge-instigated disruptions in certain places, voting went on smoothly and the United Nations Transitional Authority in Cambodia (Untac), the poll overseer, predicted that almost all of the country's 4.5 million registered voters will have voted when the precincts close on Friday.

At stake in the election is no less than Cambodia's future—its past has been one of the bloodiest and most troubled. The exercise will elect a 120-seat constituent assembly that will adopt a democratic constitution within three months and form a new government.

What we are witnessing in Cambodia is the first blush of democracy, all the more significant since only a few days ago, the prospect of the elections was dim. The Khmer Rouge, refusing to participate in an election that they thought would only legitimize the Vietnamese-installed government of Hun Sen, had escalated its terrorist activities against ordinary citizens and Untac contingents. As of Sunday, according to Untac human rights director Dennis McNamara, 200 people had died, 131 of them at the hands of the Khmer Rouge.

But if they thought their terrorism would disenfranchise a lot of voters and result in a failure of elections, the Khmer Rouge were wrong. Their thuggery spawned a backlash. Cambodians, fighting a return to the killing fields and the Stalinist social engineering years of Pol Pot, enthusiastically showed their way to the polling precincts and demanded to vote.

Now it is the Khmer Rouge that has been disenfranchised. This is indicated in the statement of Prince Ranariddh, son of Prince Norodom Sihanouk and leader of the opposition party FUNCINPEC: "I feel simply sorry for them, they will miss the train of peace and democracy in Cambodia."

The self-disenfranchisement of the Khmer Rouge has effectively prevented itself from playing any major part in the future government of Cambodia. In contrast, the government of Hun Sen, an ideological ally but an enemy for political power, has adapted to the demands of change, liberalizing the economy and allowing itself to be challenged by opposition parties in free elections. As

a result, the ruling communist-style Cambodian People's Party is expected to take the most seats, along with the pro-West FUNCINPEC.

The election also showed a unique Cambodian solution to the depravities of the Khmer Rouge. While the West had wanted the Khmer Rouge excluded from the peace process and Pol Pot brought before a tribunal to be tried for the killing of 1.5 million Cambodians and ethnic minorities during his rule between 1975 and 1979, Sihanouk had insisted that the process involve everyone—and that the Khmer Rouge bar themselves if they wished. As Prince Ranariddh said last Sunday: "What the Western world want above all is to bring Pol Pot before a tribunal. I say, the best tribunal is the people. The people have to decide. My response to the Khmer Rouge is the success of this election."

Although politically marginalized, the Khmer Rouge, however, is by no means a spent force. The UN has failed to disarm them, for one thing. While free and credible election is the principal solution to the Cambodian problem, it can only be a practicable solution if there is a determined and progressive attempt by the UN to disarm all contending forces. For as long as the Khmer Rouge remains a major armed force defying the proposed electoral solution—and its results—the democratic enterprise in Cambodia may continue to be undermined.

So the task of Untac in the post-election period is to neutralize the Khmer Rouge and inspire the peace and security that will be conducive to reconstruction and stabilization as the constituent assembly drafts a new constitution and forms a new government. The UN task in Cambodia is not yet over.

### Ramos Speaks on Decision To Revamp Police

HK2305072093 Manila DZXL Radio Mindanao  
Network in Tagalog 0222 GMT 22 May 93

[Speech by President Fidel V. Ramos at ceremonies turning over command of the Philippine National Police at Camp Crame—live, in English]

[Excerpt] [passage omitted] The Philippine National Police [PNP] is, first and foremost, an institution for the protection of the people's welfare and public safety under our democratic system of government. Not only does it serve the law-abiding segment of the people, which is the majority of our population, but also assures their safety and security and upholds their rights through effective law enforcement and crime prevention.

Historically, the National Police Service, starting with the Philippine Constabulary, has always risen, as it has done so many times in the past, to the defense of our constitutional government, against coup plots, insurrection, rebellion, and organized crime. Therefore, as an important institution of a democratic government, it must have the people's trust. Its credible and effective



performance is crucial to winning that factor of public confidence and restores and enhances public trust.

The long history of the National Police System in our country, which spans nearly the whole length of this century, has been marked by periodic organizational changes designed to make the police service more responsive to the demands of the times and attendant circumstances.

In the normal course of events, the PNP and the various organizations from which it has evolved have changed leadership as a consequence of the expiration of one's term of office or tour of duty. But under exceptional, though rare, circumstances, that mantle of command also changes hands due to larger and higher imperatives. Today's formal turnover of the PNP command represents a still rarer kind of transition that combines elements of both time and circumstance.

The outgoing PNP chief is stepping down by way of retirement but here, several other key officials of the organization have relinquished their offices within the context of a great and certainly long-overdue reform process. It is a process that unfortunately has been attended by misperceptions and misunderstanding. As your president and commander-in-chief, whose official interest and personal association with the PNP organization dates back many years, I feel it is my duty to clarify and put to rest those misconceptions and misunderstandings now, on this occasion.

The process of cleansing, for want of a better term than the media's label of purge, is in actuality part of a comprehensive reform program aimed at raising the level of effectiveness of, and public trust in, the police service. There was, it is true, great public outcry over the scalawags in uniform that have given the PNP a bad name. And it is equally true that we cannot allow an alienated and discredited police to remain that way in the public mind and let its lack of credibility spoil our determined efforts to move the Philippines ahead to a better future.

The magnitude of the offenses perpetrated by some elements in the organization has cast a great shadow over the PNP's overall performance in the accomplishment of its mission, notwithstanding the efficient and even sacrificial work being done by the larger majority of those wearing the PNP uniform who have remained professionally minded and sincere.

There is therefore a need for an overhaul of the entire police system, if only to regain the people's trust, support, and cooperation.

It was against this backdrop that I started the process of reform by changing the leaders of the force early in my administration, and this culminated in the formation of a nine-man committee under the chairmanship of DILG [Department of Interior and Local Government] Secretary Rafael Alunan to oversee the organization of the PNP.

I tasked this committee to process the voluntary retirement applications of senior officials based on a broad range of criteria and to submit recommendations for the reform of the PNP leadership. The committee invested its actions with the following qualities: One, they have to be just; two, they have to be comprehensive, and three, their recommendations must be defensible.

The committee underwent a laborious and surely painful screening process. Its members had to set aside friendships and personal feelings. We, the committee and I, had to bite the bullet.

The Alunan committee, whose recommendations would guide my actions, meticulously considered not only professionalism and integrity but also performance over a four-year period, leadership potential, management ability, physical fitness, mental capacity, and loyalty to the flag and to public service.

The outcome is now of public knowledge because of the attendant publicity and one result is this turnover of command today. But not all those retired from the service upon my orders are considered as scalawags. The truth is that many, heeding my calls for sacrifice for the good of the service and whose retirement I accepted, cleared the first hurdle, which is integrity, but did not fare as well in terms of the other criteria. Those who filed their applications for retirement voluntarily all deserve to be commended for having opened a new avenue towards the elusive solution of the roadblocks to reform and pave the way for the upward mobility of the younger, but equally capable career officers at all levels of command.

The reformation of the PNP was thus made possible only because those who, believing that the service is worth saving, volunteered by their sacrifice to save it from further deterioration. These officers who applied for retirement of their own volition, knowing fully well that the probability of shortening their careers by the police service by doing so, was real and present. [sentence as heard] But yet, they undertook the painful yet necessary action so that the process of renewal could commence with the infusion of new blood and vigor at the top echelons of the PNP command.

And so I would like to convey my deepest appreciation to all the officers who submitted their retirement applications voluntarily and who gallantly accepted the decision of the committee and their commander-in-chief, in order to help clear the tarnished shield of the police force.

Those whom they leave behind should carry on with greater inspiration and confidence to give their best and to prove to everyone that the trust now bestowed upon them through this changing of the guard is justified and fully deserved.

I have, effective May 21 1993, ordered the dissolution of the nine-man committee, it having satisfactorily completed its difficult task. The continuing process of reform, reorganization, renewal, and reinvigoration



should now be taken over by the new PNP leadership. I wish to commend the committee and the National Police Commission, both under Secretary Alunan, for their strong sense of duty and moral courage in pursuing their assigned mandate without fear or favor.

There appears to be wide public acceptance of what the committee and the National Police Commission have recommended to be done. There appears likewise majority acceptance within the police service, including in the rank and file, of such decisions.

And I am happy that again, as a form of sacrifice, a former retired police and Armed Forces of the Philippines general, in the person of Major General Alexander Aguirre, retired, has consented on my request to become the undersecretary of the Department of Interior and Local Government for peace and order.

I express to the outgoing chief, PNP Director General Raul Imperial, my commendation for his dedication and his steady performance during this most trying period of the PNP transition towards reform. Simultaneously I welcome the incoming PNP chief, Director General Humberto Rodriguez, and bid him to do his job according to the expectations of our people. [passage omitted]

#### **Armed Forces Revamp Said To Clip Chief's Powers**

HK2405065093 Manila THE MANILA CHRONICLE  
in English 22 May 93 p 7

[Report by Frank Longid Jr.]

[Text] The Planned reorganization of the Armed Forces will effectively clip the powers of the chief-of-staff while strengthening those of the major services—Army, Air Force, Navy—commanders.

AFP [Armed Forces of the Philippines] spokesman Col. Rufo de Veyra said the "type of organization envisioned" by the president was "task force-based" with "each task force composed of units from the Army, Air Force and Navy which would be given specific roles."

In this case, the proposed deactivation of area commands will "dilute the authority line" of the chief-of-staff and will also "save on money and staffing," de Veyra said without elaborating on how much exactly would be saved.

These restructuring would have "no effect" on the reaction time of military units and have no adverse effect on inter-service coordination, he added.

The missions and goals of the various area commands, de Veyra explained, can just as well be handled by the major service commanders.

"What will happen is the chief-of-staff will have less to do, while the coordination between the chiefs of the Army, Navy and Air Force will be intensified."

A Camp Aguinaldo official said the restructuring of the AFP "is already being looked into" by Defense Secretary Renato de Villa.

Sen. Ernesto Maceda had also written AFP Chief of Staff Gen. Lisandro Abadia earlier this year making similar proposals.

Maceda said he was suggesting the reorganization that he believes would effectively streamline the military and either reduce defense spending or make available more funds for the upgrading of defense equipment.

The source said Maceda and Abadia have already met regarding the senator's proposals, "most of which were already being studied." He said Abadia responded "positively" to Maceda's views.

Already a draft of the proposed restructuring has been prepared and submitted to the Department of Budget. The proposed plan calls for, among others, halving the number of the area commands, and the reduction of AFP-wide support services from 19 to 11.

The proposed timetable is about seven years the source said. Among the first to go will be the National Capital Region Defense Command, which is slated for deactivation in the first year of the plan.

#### **NUC Proposes MNLF Choose Talks Site in Country**

HK2005122993 Manila Manila Broadcasting Company  
DZRH in Tagalog 1100 GMT 20 May 93

[Text] The National Unification Commission [NUC] has recommended to President Ramos that formal peace negotiations between the government and the Moro National Liberation Front [MNLF] be held anywhere in the Philippines.

NUC Chairperson Haydee Yorac said NUC has recommended the holding of formal peace talks in Sulu, Tawi Tawi, or any place selected by MNLF Chairman Nur Misuari, as long as it is within the Philippines.

Yorac also said the NUC has recommended to Ramos the members of a seven-man government panel. She did not identify the proposed members, but said most of them came from the private sector.

#### **Ramos Okays Proposal**

HK2205073893 Manila DWIZ Voice of the Filipino  
People's Radio in Tagalog 2200 GMT 21 May 93

[Text] Formal peace talks between the National Unification Commission [NUC] and the Moro National Liberation Front [MNLF] will begin on 30 June. President Fidel Ramos has approved the recommendation submitted by NUC Chairperson Haydee Yorac.

The NUC said Ramos has approved MNLF Chairman Nur Misuari's request to choose any place in Mindanao



to hold the peace talks, instead of in Indonesia as announced earlier by a foreign affairs department official.

The NUC recommendation was based on the second round of exploratory talks between the government panel and MNLF in Indonesia last 14-16 April.

### **MILF 'Closely' Monitoring Government-MNLF Talks**

*HK2305072293 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 22 May 93*

[Text] The Moro Islamic Liberation Front [MILF] is closely monitoring the progress of the formal peace talks between the government and the Moro National Liberation Front [MNLF]. This was confirmed today by MILF spokesman Isandar Almakduri who said MILF leaders will in fact attend the peace talks.

Earlier, MNLF said it would try to convince the MILF to participate in the peace process in case its own dialogue with the government succeeds. MNLF said this was to help achieve unity and peace in the Mindanao region.

### **Moro Rebel Arrested for Train Station Bombings**

*HK2405061593 Manila PHILIPPINE DAILY INQUIRER in English 23 May 93 pp 1, 7*

[Report by Dave Veridiano]

[Text] Police intelligence agents have arrested a Moro rebel, said to be an expert in sabotage operations, for the twin bombings of the Light Rail Transit [LRT] line on May 11.

A report of the Criminal Investigation Service Command (CISC) identified the suspect only as a certain Ben, allegedly a Moro rebel belonging to the Yakan tribe of Basilan Island. The report described the suspect as 29 years old and allegedly well-trained abroad in sabotage and terrorism, including bombing operations.

The arrest bolstered suspicions by police that the twin bombings, which injured 26 persons, could be the handiwork of members or sympathizers of the Abu Sayyaf group, whose mountain lair in Basilan has been under heavy attack by the military.

The band of youthful Muslim extremists and former guerillas of the Moro National Liberation Front had taken hold of and demanded ransom for the release of kidnap victims Fr. Bernardo Blanco and five-year-old Luis Anthony Biel. Blanco had since escaped from his captors; Biel was released shortly after.

CISC agents arrested the suspect last Thursday evening [20 May] and were about to release him when an investigator noticed his striking resemblance to an artist's sketch of one of the bombing suspects.

"His facial features were similar to the artist's sketch of one of the suspects released by the National Bureau of Investigation," a CISC investigator told the INQUIRER.

Chief Superintendent Angel Quizon, CISC director, refused to give details of the arrest but said the suspect would be presented to media tomorrow.

Twenty-six persons were injured on May 11 when improvised bombs exploded at the platform of the LRT station in Baclaran and at the back of the second LRT carriage as it was approaching the Jose Abad Santos station in Manila.

A police investigator said the bombings, wherein grenades attached to timing devices were used, were similar to recent bombings in Mindanao and at the Manila Domestic Airport terminal last month.

Earlier, police officials said the LRT bombings might have been perpetrated by Muslim extremists angered by an all-out military operation against the Abu Sayyaf group in Basilan.

## **Thailand**

### **Security Chief Believes UN Capable in Cambodia**

*BK2205142893 Bangkok Army Television Channel 5 in Thai 1200 GMT 22 May 93*

[Text] General Charan Kunlawanit, secretary general of the National Security Council, believes the United Nations would successfully handle the elections in Cambodia. Although there may be fighting between the various armed groups concurrently with the elections, he does not think it would be large scale.

[Begin Charan recording, in progress] ... and no units of the United Nations had been the targets of attacks, except in recent weeks. From my observation, it was only in recent weeks that I could no longer say outright whether the UNTAC units are their targets. [end recording]

Gen. Charan also thinks the United Nations should begin an economic development program to improve the welfare of the Cambodian people.

### **Chuan, Prasong Comment on Cambodian Situation**

*BK2405140193 Bangkok Voice of Free Asia in Thai 1030 GMT 24 May 93*

[Text] Prime Minister Chuan Likphai said upon his return from Brunei yesterday at Don Muang Airport that the Foreign Ministry, Interior Ministry, and Defense Ministry are prepared to cope with any possible violent situation along the Thai-Cambodian border during and after the general election in Cambodia.



Meanwhile, Foreign Minister Squadron Leader Prasong Sunsiri said that according to reports from the Thai Embassy in Phnom Penh and talks with foreign ambassadors, the situation in Cambodia was not that violent. A large number of Cambodian people went to exercise their voting rights. This is a good sign because it will enable the election to achieve its goals. Regarding security measures along the border, the foreign minister said that the three major ministries closely followed the situation. The fighting in Cambodia is between soldiers, which does not affect the Cambodian people or the border areas. Although the election results are still unknown, it is believed that Prince Sihanouk, chairman of the Supreme National Council of Cambodia, will be able to establish national reconciliation in the country. Thailand will not be affected by any influx of refugees again because there are still many safe areas in Cambodia for them to take refuge.

Defense Minister General Wichit Sukmak said that he had instructed all Armed Forces commanders to look after the situation along the border. The army commander and the navy commander had traveled to inspect the situation to prevent any possible spill over into the Thai territory. Regarding the withdrawal of Thai troops from Cambodia after the election, the defense minister said that he could not make any decision right now because he first had to discuss the issue with the National Security Council and also has to see whether or not the United Nations will request that Thai troops continue to remain in Cambodia.

#### **Paper Alleges Laos Plans To Annex Northeast**

*BK2405024193 Bangkok SIAM RAT in Thai 7 May 93  
p 5*

["Soi Suanphlu" column by M.R. Khukrit Pramot]

[Text] I have received a document written in Lao, in fact, in King Phra Ruang's script. Unlike the Thai alphabet, the Lao script has not changed much from King Phra Ruang's.

I have translated the document into Thai. However, I want to ask the readers of SIAM RAT not to believe the following story or take the matter seriously. Obviously, this document, in its Thai translation, portrays a grave sinister scheme against Thailand. It is about a plan to separate the northeastern region from Thailand. The person who signed the document is Prince Suphasai Souphanouvong, a minister in the present Lao Government.

I appeal to readers to read this with an impartial mind because the document might have been written during the term of the present Lao Government. I personally believe that it was written by someone who harbors ill intentions against the friendly relations between the Lao and Thai Governments. Therefore, readers should be impartial and cautious, and not take things seriously. Just read it for fun. The inset is a portion of the original Lao copy.

The following is the Thai translation of the document.

#### **The Historic Plan for the Liberation and Unification With the Lao People's Democratic Republic [LPDR] of the Northeastern Region**

As revealed in the history of the Lao Nation, the Northeastern Region was seized and annexed to Siam by British imperialism. In those days, Siam was a colony of British imperialism. The annexation of the region to Siam was made without the consent of the then Lao leaders and Laos was, at that time, under the rule of French imperialism. France and the United Kingdom drew the boundary lines themselves without the consent of the Lao leaders. For this reason, Prince Phetsalat and Prince Souphanouvong later staged a revolutionary struggle against French imperialism to fight for the independence of the country before they could liberate the northeastern region. But after Laos received independence from France, the country was plunged into the hands of U.S. imperialism and thus the Lao leaders were unable to launch the struggle to retrieve the northeastern region, which was Lao territory from time immemorial.

Now Laos is an independent country and has every right to liberate the northeastern region. This is the best time for the LPDR Government to start the task of liberating the region. Tactics to avoid drawing international attention will be employed together with exploiting the objective and subjective conditions of the people in the region and the principle of self-rule with direct assistance and moral support from the LPDR Government.

We have secured cooperation from several army divisions in the northeastern region including five generals such as commanders of the Third Army Region, the Thai Government's Security Battalion 32, Cavalry Companies 3201 and 3202, and their subordinates to launch the revolution for the liberation of the northeastern region. These comrades have cooperated with us in annihilating a number of Hmong terrorists, the enemy of the liberation of the region and national security.

The national liberation or the liberation of the northeast will begin in 1995 after our government has completed the liquidation of the Hmong refugees along the Thai-Lao border areas because the Thai Government might use these Hmong to counter the liberation plan. These Hmong refugees are under the command of U.S. imperialism and are willing to serve the Thai Government even if they are ordered to start a war in the LPDR. They do not care for the northeast at all.

The northeast liberation plan drawn up by the LPDR Government is as follows:

1. Mobilize men and officers in the region to stage a revolution to seize areas and turn them into staging areas.
2. Following the seizure of the areas by the revolutionary units, the LPDR Government will dispatch all armed forces for reinforcement under the cloak of the Northeasterners' armed forces.



3. Appoint military officers from the LPDR to handle the autonomous administration of the northeast.

4. Following the long struggle for the independence of the northeast and the formation of an autonomous government, the two governments will then declare their merger and the formation of the Union of the LPDR.

#### **The Plan for the Liquidation of the Hmong Who Oppose the Liberation in the Northeast (Hmong in the country)**

1. Launch clandestine suppression and liquidation operations.

2. Expeditiously force Hmong people to move down from the mountains to low the plain for easy control using the need for preservation of forested areas as a pretext and secretly arrest and gradually annihilate them.

3. Send armed forces to crush those who refuse to come down from the mountains on charges of treason.

#### **The Annihilation Plan for Overseas Hmong (in China)**

The LPDR Government has sent two comrades—Lamon and Sengkeo—as refugees to China to scheme and wipe out the Hmong who are taking refuge in the PRC and those who are there to seek assistance from the PRC Government.

#### **The Annihilation Plan for Hmong in Thailand**

1. Our government has dispatched underground units to various refugee centers along the Thai-Lao border to mobilize and divide the Hmong into small groups and lead them back to the country so as to ease later suppression. We assigned Comrade Chandi to Winai center and Comrade Vimai to work with the Hmong National Liberation Movement. Comrade Vimai is in charge of sending Hmong refugees together with Thai troops back to Laos for subversive activities. He has been secretly dispatching reports on their movements to our government and actively pushing for the repatriation of the Hmong refugees in Thailand.

2. The LPDR Government has fostered friendly relations with Thailand and mobilized Thai troops stationed along the Thai-Lao border to help suppress the Hmong people. The Thai troops and even the Thai Interior Ministry have been very cooperative.

3. We have sent volunteers to work with the UN organizations in Thailand and infiltrate the Hmong refugees' underground cells which facilitate the use of the Thai authorities and the underground cells as our tools to disintegrate Hmong refugee groups and bring them back home for later suppression.

4. The LPDR Government has appealed to the friendly Thai Government to expedite the annihilation of the Hmong refugees in a bid to facilitate the liberation of the northeastern region.

#### **The Annihilation Plan for the Hmong in Third Countries (in France)**

The LPDR Government has assigned Comrade Kongle to set up the "United Hmong National Liberation Movement" to disintegrate the Hmong resident groups in France and separate them from the ultrarightist national liberation movement. Comrade Saikosin has been assigned to weaken and disintegrate the Hmong rebel group under the command of chieftain Pangkaoheu. Litoupem and Pava have been entrusted to polarize the Hmong chieftains in different countries such as France and the United States.

#### **In the United States**

The LPDR Government has appointed Comrade Khamcong Louangpraseut to direct the operation against the Hmong in the United States. Meanwhile, our government has attempted to divide the Hmong residents into groups through disinformation against Vang Pao and distribution of bulletins and leaflets to create hatred among the American people for the Hmong.

The LPDR Government is persuading Hmong people in the country and Hmong refugees at various centers in Thailand to send opium to the Hmong in the United States to cause trouble for the U.S. Government and create misunderstanding of the Hmong in that country.

The LPDR Government sent opium using the addresses of the fraternal Hmong people in the country and in Thailand to the Hmong in the United States. On several occasions, the recipients got into really big trouble—a political success for our government.

[Signed] Souphasai Souphanouvong

Baloney!

[Signed] Khukrit Pramot

#### **Prime Minister Makes Official Visit to Brunei**

*BK2205071093 Bangkok Radio Thailand Network in Thai 0530 GMT 22 May 93*

[Excerpt] Prime Minister Chuan Likphai and his delegation arrived in Brunei at 1100. A Radio Thailand correspondent reports:

[Begin recording] This morning Prime Minister Chuan Likphai and his delegation arrived in Brunei for an official visit. They departed Bangkok International Airport at 0700 Bangkok time and arrived in Brunei International Airport at 1100 Brunei time. The prime minister was welcomed on arrival by Prince Mohamed Bolkiah, the private representative of the Brunei sultan. [end recording] [passage omitted]



### **Calls on Sultan**

*BK2305100393 Bangkok Radio Thailand Network in Thai 0530 GMT 23 May 93*

[Text] The Public Relations Department's news center has received the following report from Correspondent Charoenchai Piamphoemphun who is in the group accompanying Prime Minister Chuan Likphai and his party visiting Brunei Darussalam.

The prime minister and his delegation had a meeting with the Sultan of Brunei. They exchanged views aimed at expanding bilateral relations, trade and joint investment cooperation. Thailand raised for discussion the joint investment in the urea fertilizer plant, negotiated to buy natural gas from Brunei, and persuaded Brunei to increase joint investments with ASEAN countries. As there is already a large number of Thai workers in Brunei, Thailand hopes Brunei will be another country offering wider opportunities for the Thai labor force.

The sultan of Brunei told the prime minister he noted that relations between Thailand and Brunei are developing smoothly. There have been exchanges of visits by the royal families, and high-level government officials. Brunei shared Thailand's on trade and joint investment cooperation. The sultan of Brunei thanked the Thai Government for giving special attention to Brunei, especially for Thailand's technical assistance. He said the Brunei Government is looking to expand trade and joint investment with ASEAN countries, especially Thailand. Brunei expressed interests in the projects proposed by Thailand for joint investment.

According to the correspondent's report, the prime minister toured several projects under Brunei's economic development program. He gave special attention to Thai workers there, numbering about 20,000—the highest number of foreign workers in Brunei. The workers said they do not have problems there and appreciated the good care and attention of their employers. The prime minister also visited a group of about 6,000 Thai workers at (Takuling) Site in Bandar Seri Begawan. In his address to Thai workers, the prime minister noted that Brunei is an important market for Thai workers. The Brunei Government has attached importance to Thai workers because they have quality and endurance, and they learn their jobs quickly. The prime minister told the workers to be proud of their reputation and to preserve that quality in order to successfully achieve what they aim to bring back for their families and the nation.

According to the schedule, the prime minister and his party will visit the oil rig and natural gas separation plant in Seria today. After the tour, he will return to Bandar Seri Begawan for an audience with the Sultan at Darul Takwa Palace before leaving for Bangkok at 1500.

### **Returns From Visit 23 May**

*BK2305145593 Bangkok Army Television Channel 5 in Thai 1200 GMT 23 May 93*

[Text] Prime Minister Chuan Likphai and his party have returned to Thailand after a two-day visit to Brunei. The prime minister briefed newsmen on his successful visit and the discussions between the leaders of both countries. He said that talks covered both political and economic matters. Thailand especially called on Brunei to invest more in ASEAN countries. He also asked the Brunei leader to look after Thai workers. There are about 12,000 Thai workers in that country.

### **Government 'Squabblings' Eroding Public Faith**

*BK2305020093 Bangkok THE SUNDAY POST in English 23 May 93 p 22*

[Commentary "From the Editor's Desk" by Phaisan Sicharatchanya: "Dirty politics is eroding the faith of the public"]

[Text] THE notoriety of Thai parliamentary politics set a new record last week when the Opposition—plagued with an intense series of internecine rifts—split ranks and separately filed two no-confidence motions, one against selected ministers and the other against the entire Cabinet. This unprecedented development was followed, not surprisingly, by acrimonious accusations and counter-charges by leaders of the two rival Opposition camps, namely the Chat Thai and Chat Phatthana parties.

And as if these shenanigans were not enough to erode the public's faith in the parliamentary institution, the convoluted political atmosphere was dealt yet another blow with the circulation of mysterious letters to all MPs which purportedly exposed some discrepancies in Prime Minister Chuan Likphai's marriage record. No one knows the origin of these letters; but given the intermittent threats by some Opposition figures to expose the prime minister's private affairs, it can only be surmised that they are aimed at discrediting Mr Chuan in conjunction with the motion to censure his Government.

If it had not been for the damaging fallouts between Chat Thai and Chat Phatthana, there should have been nothing wrong for a censure motion against the entire Chuan Cabinet. Since it would be impossible for the Opposition to topple the Government, the exercise could at least provide a forum to debate major problems facing the country, thus serving to pressure the Government into corrective action. The Government's inability to restore business confidence and rejuvenate the investment climate, the absence of a comprehensive long-term programme to tackle depressed crop prices, and the heavy-handed suppression of protesters in Kamphaeng Phet which caused the death of a farmer recently are some of the serious issues requiring urgent redress.

But whatever positive impact that could have been derived seems to be written off even before the two



Opposition motions are debated. Somehow the sanctity of the exercise has been torpedoed by the common public perception that both motions are motivated by blatant vested interests—that Chat Thai wanted to engineer a Cabinet reshuffle by driving a wedge among the existing coalition partners so that it could join the Government while Chat Phatthana is bent on manipulation for more drastic changes such as a parliamentary dissolution and new elections. Raising the prime minister's private affairs to achieve these unholy objectives would be tantamount to adding insult to injury. This is dirty politics at its nadir.

Whereas MPs on the government side have had little concrete achievement to speak of since last September's elections, the deplorable conduct on the part of Opposition parliamentarians this past week could not have come at a worse timing. As the country commemorated the first anniversary of last May's bloodshed, it seems a great number of the elected politicians are the only lot that has refused to progress with the rest of our society.

This is disturbing. For at a time when the spirit of democracy born of the May uprising last year has raised the consciousness and assertiveness of the various extra-parliamentary forces—and broadened Thailand's overall social pluralism—the wayward politicians are in effect stalling the collective political progress of our society. Although members of the Opposition bloc have emerged as the prime culprits, the Government camp too has to share the responsibility for an indecisive leadership plus constant coalition squabbles.

The sense of disillusionment over the Government's performance and the Opposition's conduct that has crept into many sectors of our society is a warning signal that all MPs should take heed of and try to arrest. The frustrations among supporters of the Chuan Government can be placated only if it turns to address serious national issues as against dabbling in petty matters such as the "democracy tax". In the meantime, the Opposition needs to undertake some serious damage control.

And if they still refuse to shape up, the situation would then call for all the extra-parliamentary forces that came out to oppose dictatorship a year ago to exert collective pressure. No need for street demonstrations—they cannot be mobilised anyway because the object this time is not as clear-cut. But a joint declaration through consensus among the various professional groups and non-governmental organisations that took part in the May uprising should be enough as a starter. The message from this collective voice can be clear and simple: it is time for all the MPs to get their act together and progress alongside the rest of the society.

#### **Uthai Plans ASEAN Meeting Before APEC**

*BK2505020193 Bangkok THE NATION in English  
25 May 93 p B2*

[Text] Commerce Minister Uthai Phimchaichon has planned a Bangkok meeting of Asean commerce ministers in an attempt to forge the group's general stance for

the upcoming Asia Pacific Economic Cooperation's (Apec) meeting scheduled in the US later this year, a Commerce Ministry source said yesterday.

"We—the Asean—hope to push certain issues through this November Apec meeting," the source said. He, however, refused to say what issues the ministry intended to push forward.

Concerning the US demands for Apec member countries, especially the developing countries, to open local market access for trade in services, the source said, "the US can say whatever it wants but Apec members are not entitled to do whatever the US says.

"Apec is an economic forum only. We are not bound by any agreements whatsoever to do what others ask us to do," the source affirmed.

#### **Textile Association Head Comments on AFTA**

*BK2405022793 Bangkok THE NATION in English  
24 May 93 p B2*

[Text] Thailand's textile industry will be hit hard when the country halves its current 60-per-cent tariff on imported textiles next year in accordance with the Asean Free Trade Area (Afta) deal, the president of Union Textile Merchants Association said on Friday.

Suksawat Srisuphomwanit said the lower tariff rates will mean the country will likely be flooded by products from other countries, especially Indonesia, where textiles are much cheaper to produce.

Under the terms of the Afta agreement, the tariff rates on raw materials are expected to be cut down to a maximum of between zero and five per cent within 15 years. Existing Thai rates on textile and garment imports now stand at 60 per cent to protect domestic textile industry. In the first year, that rate is expected to be cut to 30 per cent.

"With lower tariff rates, Indonesia's textile will pour in since its labour cost is three times lower at Bt [baht] 7.14 per hour compared to our Bt22.18 per hour," Suksawat said.

However, Thailand is still superior to its neighbours in terms of production technology and labour skills, Suksawat said.

"In the short term, the effect will not be so great since Thailand also imports a large amount of textiles from India, Europe and the United States," he said. "But, if Thailand, does not to adjust [as published], we will probably lose our market to Indonesia within 15 years of Afta."

In 1992, the price of Indonesian textiles was between 20 and 30 percent cheaper than Thailand's, which prompted certain Thai traders to import Indonesian textiles and re-export them to other countries, Suksawat said.



"Fortunately, what they were selling amounted to only a fraction of the market," he said. "However, I believe textile imports from Indonesia will definitely increase in the future. Thai textile traders might be happy, but surely not the textile producers."

During the first quarter of this year, Thailand's textile industry was down 10 to 20 percent compared to last year.

"One of the reasons is that our textile industry has been greatly expanding in the last three to five years, resulting in today's oversupply," Suksawat said.

The industry has also been affected by the world's economic slump, he said.

Suksawat said that to help mitigate the effects of the AFTA tariff cuts, the government should reduce import tariffs on the upstream industries connected to the textile industry.

"Tariffs in petrochemicals, which becomes several basic raw materials for textile industry, should also be reduced," Suksawat said.

The government should also establish more active campaigns to promote Thai textiles and garments and to look for new markets for expansion.

#### **'Rich' Nations Asked To Help Repatriate Laotians**

*BK2205080893 Bangkok Radio Thailand Network in English 0000 GMT 22 May 93*

[Text] Thailand calls for rich developed countries, such as the United States, to help Lao people who are being repatriated from Thailand. The Foreign Ministry's spokesman, Sakthip Krairoek, said Thailand has started repatriation of displaced Lao people in Thailand since 1991 but the number of the repatriated has not reached the target because of problems in livelihood back in the Lao People's Democratic Republic. Repatriated Laotians face harsh conditions back home for the lack of water resources, hospitals, transportation routes, and school for their children.

Mr. Sakthip said Thailand, Laos, and the UN High Commissioner for Refugees, UNHCR, have jointly worked on repatriation of Lao people in Thailand since 1991. In 1991 and 1992, only about 2,000 people were sent back home against the target of 8,000. The same can be said for the period of 1992 to 1993. Thailand is, therefore, asking for some other countries to give humanitarian aid so that displaced Lao people can be repatriated and live normal lives in their homeland.

#### **Consultations Held With SRV on Rice Exports**

*BK2205023693 Bangkok BANGKOK POST in English 22 May 93 p 17*

[Text] THAILAND and Vietnam have held their first official consultations on cooperation in exchange of rice information on production, marketing and government roles in rice exports.

Thailand, represented by former Commerce Minister Amaret Sila-on and the Vietnamese, represented by Minister of Trade Le Van Triet, previously signed a memorandum of understanding to organise regular meetings of both sides at ministerial, official and private sector level.

Foreign Trade Department Director-General Charae Chutharatkun, who led the Thai delegation, said the consultations had been delayed for months because of political changes in Thailand and timing problems.

Mr Charae and the Director-General of Vietnam's Department of Imports-Exports, Hoang Tich Phuc, recognised the need for cooperation in rice trading. Both sides agreed to explore possible cooperation in rice marketing to maintain higher prices and agreed to consult their respective authorities to prepare for the next round. They agreed to jointly organise a full meeting of all three levels possibly within two months.

Mr Charae said the two countries supplied more than 50 percent of the world's rice exports and faced the same problem of plunging prices. Mr Hoang said the Vietnamese were satisfied with the result of the first consultations. He said Vietnam did not want to be a rival of Thailand in rice exports because it had been sending rice abroad for only four years and needed to cooperate with the Kingdom.

#### **Unions Plan 'Worldwide Boycott' of Kader Toys**

*BK2105013493 Bangkok BANGKOK POST in English 21 May 93 p 3*

[Text] Representatives of several foreign labour unions and non-governmental organisations announced plans yesterday to stage a worldwide boycott of toys produced by the Hong Kong-based Kader Industrial company.

The announcement follows reports that the factory president, Kenneth Ting, will not take full responsibility for the victims of the fire which destroyed a subsidiary's factory on Sam Phran Road last week killing 188 people and injuring 500 others.

They also demanded that Thai authorities take legal action against Mr Ting as well as other company executives.

The group said they represented the Asian Migrant Centre, Asian Regional Exchange for New Alternatives, Asia Monitor Resource Centre, Documentation for Action Groups in Asia, Asian Students Association, Asian Centre for the Progress of Peoples, Asian Victims



for a Hazard-Free Environment (Bhopal, India) and Trade Union Education Centre.

They said about three Kader workers who survived the blaze last week would be sent to Hong Kong on behalf of their colleagues to meet with Mr Ting and tell him he must take responsibility for the incident.

The workers will insist that he cannot pass responsibility for the fire onto executives working at Kader Thailand.

The group said they visited the factory site and held talks with union members.

The groups are convinced the major reason for the high death toll was a lack of essential safety practices at the factory. It is the basic responsibility of a company to provide adequate safety protection for its employees.

Negligence by government authorities in failing to maintain satisfactory industrial safety also played a part, they said.

The working environment and management practice at the toy factory exposed its employees to high risk. The groups said the company, including Hong Kong Kader Holdings, should take collective responsibility for this disaster.

A member of a labour union from Hong Kong, where Kader has its head office, said there had been several protests there against Kader Holdings since the May 10 fire.

The group also demanded that:

- Action be taken against those responsible for the tragedy

- The names of staff at the factory be made public immediately;

- Mr Ting present himself before Thai authorities so the investigation can proceed as smoothly and quickly as possible;

- The workers' demands for just compensation be met as soon as possible; and

- Regular factory inspections be carried out to ensure the tragedy is not repeated.

### **Government To Sue Factory Owner; Executives Charged**

*BK2205021293 Bangkok BANGKOK POST in English  
22 May 93 pp 1, 3*

[Excerpts] The Industrial Works Department is to sue Kader Industrial (Thailand) Co on charges of modifying its buildings in violation of the Industrial Works Act. Department Director-General Pricha Attawiphat said yesterday an examination conducted by department officials and police found the company had modified the plan of its doll factory in Nakhon Pathom. Three buildings at the factory were razed by fire on May 10, leaving at least 188 staff dead, hundreds more injured and many missing.

Industry Permanent Secretary Siwawong Changkasiri has ordered the Industrial Works Department to set up a committee to find who was responsible for renewing the company's operating licence following a fire at the factory in 1989. A Kader Industrial building caught fire on November 28, 1989. The company submitted a request to the Industrial Works Department on July 4, 1990 to have its licence renewed. The request was approved by Pol Gen Praman Adireksan, who was then the industry minister.

The law requires the establishment of factories costing over 100 million baht to be approved by the industry minister.

Mr Pricha said the Industrial Works Department had launched tough measures against factories which do not follow the Industrial Works Act. Any factory found violating the law will be ordered closed until the necessary corrections are made. The operating licence will be revoked if improvements are not made.

A Kader Industrial (Thailand) worker arrested for allegedly causing the factory fire yesterday claimed he was beaten by police to force him into confessing.

Wirot Yusuk, a 31-year-old cloth-cutter, admitted at a press conference on Thursday [20 May] he had gone into the cloth storage room to have a cigarette prior to the outbreak of the fire. But talking to the BANGKOK POST yesterday from behind bars at Pho Kaeo police station in Sam Phran District, Nakhon Pathom, Mr Wirot claimed he had been physically beaten by police to force him into making a confession.

Mr Wirot, who was taken by police from his home in Wiset Chai Chan District in Ang Thong, said he had been beaten on the back by a plainclothes police officer to try to force him to admit he was smoking after witnesses claimed they had seen him with a cigarette before the fire.

Interior Minister Gen Chawalit Yongchaiyut and Police Department Director-General Sawat Amonwiwat said they would investigate if the complaint was true. Appropriate action will be taken against anyone found responsible, they said.

Pol Gen Sawat said investigators had already questioned several witnesses and they were confident their information was correct. [passage omitted]

Police yesterday released two Kader Industrial executives on five million baht bail each.

The two, Chulin Unaphum and Pichet Laokasem, had been formally charged with negligence and illegally modifying factory buildings, causing the death of others after they surrendered to police on Thursday. Police said the other two executives also wanted on the same charges, Taiwanese Chang Ming Kuang and Hong Kong Chinese Chang Yuk Ming, were abroad but were expected to surrender soon.



Mr Chulin and Mr Pichet have denied the police charges, saying the responsibility should lie with architect Chatchawan Niwatsabut and engineer Phisut Kanokakon who oversaw the construction works for the factory. The factory suffered a fire in 1989 and the company's insurance companies had sent experts to appraise the safety standards of the factory. If the plan was unsafe, the insurance companies would not have insured the buildings, the two claimed.

They also denied the materials used by the factory were highly inflammable. Since most of the company's products were exported to the United States, the materials used had to meet US safety standards. The executives said the factory would try to resume normal operations within nine months.

Meanwhile, Industry Minister Sanan Kachonprasart said he had ordered Pichit Ratthakun, the chairman of a task force examining and correcting factories causing pollution, to send 10 teams of officials throughout the country to inspect factories. Each team will comprise environmental experts, police and Industrial Works Department officials.

#### **Labor President: Factory Worker 'Scapegoat'**

BK2405013993 Bangkok THE NATION in English  
24 May 93 p A2

[Text] Labour organizations have called on authorities to reconsider the arrest of a worker accused of accidentally starting the deadly May 10 fire at the Kader doll factory.

The president of the Labour Congress of Thailand (LCT) said yesterday that the arrested man, Wirot Yusuk, 30, might just be a scapegoat.

Meanwhile, the Law Society of Thailand has said it will investigate Wirot's claim that police beat him to extract a confession.

Law Society President Sak Kosaengruang made the announcement after visiting Wirot at Pohkao police station yesterday in Nakhon Pathom.

Suwit Ha-thong, president of the LCT, told reporters the investigation of the blaze was concluded too soon.

Police did not take into account the results of inquiries by the Civil Works Department, the Department of Industrial Works and the Labour Skills and Protection Department, Suwit told a press conference that included representatives of the State Enterprise Relations Group (SERG).

Suwit said representatives of at least 20 labour agencies will meet on May 30 at the Viengtai Hotel, in the Banglampu area, to formulate measures to pressure the government to take legal action against the owners of Kader Industrial (Thailand). The company is a joint venture by Thai, Taiwanese and Hong Kong investors.

SERG Deputy Secretary-General Somsak Kosaisuk said the labour organizations will seek advice on appropriate action from the Law Society of Thailand.

The fire killed at least 188 people and injured more than 400 others at the company's doll factory in Nakhon Pathom province. Others are still missing.

Police arrested Wirot last Wednesday [26 May] and charged him with causing the fire, allegedly by failing to properly extinguish a cigarette butt.

Wirot later claimed that police beat him into making a confession.

"They punched, kicked and beat me with a chair. I was so afraid that I told them I smoked [before the fire started]," Wirot told reporters at Pohkao police station on Friday.

Law Society President Sak complained that when he went to see Wirot at Pohkao police station yesterday he was initially told the suspect was being questioned and he would have to wait. Sak questioned the delay, saying he arrived at the police station before police began their interrogation.

Provincial Police Bureau commissioner Pol Lt Gen [Police Lieutenant General] Suriya Moranont said Sak simply misunderstood what was happening. Suriya said he first met with Wirot to ask him what lawyer he wanted to defend him. Eventually, Sak and reporters were allowed into a room with Wirot, Suriya and other police officers.

Wirot repeated allegations that he had been beaten by police and said he would recognize them if he saw them again. Suriya told reporters after the meeting that a committee will be formed to investigate the case.

A panel of engineers and architects interviewed by The Nation concluded that the reason the buildings collapsed so quickly, contributing to the huge loss of life, was that the steel beams were not insulated. Without any insulation, the intense heat from the fire melted the beams.

The death penalty should be considered for the owners of substandard factories where employees have died because safety standards were ignored, Deputy Interior Minister Chaowat Sutlapha said yesterday.

"The strongest penalty now is just a four-year jail term," he said.

"I would like to see capital punishment introduced as the strongest penalty in such cases because it is obvious that factory owners, if they violate the laws, do so intentionally in the knowledge that it could result in the loss of lives."

However, if the death penalty is introduced for such offences it would be applicable only in the case of factories built after the law was promulgated, he said.



**Doctors Find No Injuries on Factory Worker**  
*BK2505015793 Bangkok THE NATION in English*  
 25 May 93 p A2

[Text] No traces of physical injuries were found on the man suspected of accidentally starting the huge fire that killed more than 187 workers at the Kader Industrial stuffed toy factory in Nakhon Pathom on May 10, doctors said yesterday.

Dr Somchai Tharunthoethai of Sampran Hospital in Nakhon Pathom was speaking to reporters after a one-hour examination of Wirot Yusuk, 30, who claimed he had been subjected to a beating by police investigators trying to force a confession from him four days earlier.

"We found on the back of his left shoulder a tiny black and blue strip, measuring half an inch in length. But we couldn't say whether the bruise was intentionally inflicted on him or was caused by contact with a hard object," Somchai said.

Dentist Thira Siriburanon, also of Sampran Hospital, said he detected traces of tar left by cigarette smoke on Wirot's teeth, but no injuries in the mouth.

Prime Minister Chuan Likphai said yesterday he had asked Interior Minister Chawalit Yongchaiyut to personally look into the alleged torture.

"I don't know whether the man arrested by police was a scapegoat or not. The government does not want an innocent person to be wrongfully charged of a criminal offence," Chuan said.

The prime minister said the government had tried to avoid applying excessive pressure or unrealistic deadlines on police investigators trying to intercept wrongdoers.

"We don't want suspects confessing under duress to crimes they did not commit. The arrest of suspects must always be based on evidence," Chuan said.

Pol Maj Gen [Police Major General] Wiwat Phiyaphimuk, deputy commissioner of Provincial Police Bureau I, said Bureau I Commissioner Suriya Moranon had set up a committee on Sunday to investigate the alleged torture.

Wiwat said police investigators had quit torturing suspects to extract confessions a long time ago.

"What is the use of police kicking the suspect? This is not a case of serious criminal offence like murders committed by hired gunmen where investigators will try to trace it to the masterminds," the deputy commissioner said.

Wirot, speaking to reporters yesterday afternoon, said police investigators had asked him to sign a piece of paper containing police findings which indicated that the area where he allegedly disposed of his cigarette butt and the area where the fire started were the same.

"I didn't sign it because it was not consistent with what really happened. And I already told [the investigators] that I denied all charges levelled against me by police," the suspect said.

The suspect, who worked in a clothcutting section of the doll factory, has admitted that he had a surreptitious smoke in a secluded area on the ground floor, discarded the cigarette butt and crushed it on the floor strewn with shreds of fabric before going back to work.

But he said he was not sure whether he had completely extinguished the cigarette.

Meanwhile, the Police Department and Industrial Works Department yesterday launched a campaign to improve safety measures at factories throughout Bangkok by sending out 10 inspection teams, each comprising three police officers and an Industrial Works official.

## Vietnam

**Prime Minister Vo Van Kiet Arrives in New Zealand**

*BK2405143393 Hanoi VNA in English 1425 GMT*  
 24 May 93

[Text] Hanoi VNA May 24—Prime Minister Vo Van Kiet arrived in Auckland this morning to start his three-day official visit to New Zealand, the first leg of his eight-day South Pacific tour which will also take him to Australia.

The prime minister and his party were met upon their arrival by Deputy Prime Minister Don McKinnon who described the Vietnamese leader's visit as an event of special importance in the relations between the two countries. Prime Minister Vo Van Kiet also expressed his belief that his visit would be a new milestone in the bilateral friendship and cooperation.

The official welcoming ceremony for the Vietnamese prime minister is slated for the afternoon of May 25 when he is due to arrive in Wellington.

Right after their arrival in Auckland, the prime minister visited the Terapa Food-Processing Equipment Factory in Hamilton, the Mirinz Meat Industry Research Institute and a dairy farm outside Cambridge. He expressed deep interests in New Zealand's experience in developing household stockbreeding, food-processing industry and the production of dairies and meat for export. He said he wished that New Zealand share its experience in these fields with Vietnam so as to help Vietnam turn its own husbandry into a major export producer.



### **Russian Delegation Arrives in Hanoi 24 May**

*BK2405131893 Hanoi Voice of Vietnam in English  
1000 GMT 24 May 93*

[Text] A government delegation of the Russian Federation led by Deputy Premier Yuriy Yarov arrived in Hanoi Monday [24 May] to attend the second meeting of the Russian-Vietnamese Economic, Commercial, and Technological Cooperation Commission.

The meeting is expected to consider bilateral accords on the promotion and protection of investment including measures to avoid double taxation.

### **Army Daily Discusses Businessmen's Trip to United States**

*BK2505101793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 May 93*

[Announcer-read report on main points of interview with Doan Ngoc Bong, first vice president of the Vietnam Chamber of Commerce and Industry; and Vuong Ky Anh, director of the Exhibitions Department of the Vietnam Chamber of Commerce, on the results of their recent visit to the United States, by unidentified QUAN DOI NHAN DAN newspaper correspondent; place and date not given]

[Summary] "This is the first time that Vietnamese businessmen have visited the United States to study its market, exchange information on trade, and discuss measures for economic cooperation. Our first impression is that the U.S. organizations and businessmen are really paying attention to the Vietnamese market. They want to cooperate with our business organizations and companies."

In San Francisco, California, there were working sessions with 140 representatives of U.S. companies. In New York, the Vietnamese businessmen were received by representatives of the U.S.-Vietnam Chamber of Commerce. Everywhere the Vietnamese delegation visited—be it Washington D.C., New York, Los Angeles, or Honolulu—the local authorities and business circles were very friendly and were expecting cooperation with Vietnam. For example, high-ranking U.S. officials such as Mr. Frank Jordan, mayor of San Francisco; and Mr. Leo McCarthy, lieutenant governor of California, all expressed interest in setting up economic joint ventures for the benefit of the two sides.

America is a big market with great potential. America's economy is very impressive with a perfect infrastructure and high living standards for its people. We found out that we are quite able to upgrade tourism with the United States. The representatives of Ho Chi Minh City tourism contacted more than 20 major U.S. tourism companies, including the American Express corporation.

On the other side, generally speaking, many Vietnamese industrial goods cannot compete on the U.S. market. However, we think that Vietnamese garments and textile

fabrics are able to penetrate the U.S. market. The U.S. businessmen want to build weaving and garment factories in Vietnam with 100 percent capital from the United States. Moreover, the U.S. side also wants to cooperate with Vietnamese organizations to provide a legal consulting service when Vietnam is able to export its commodities to the United States.

We also acknowledged that our agricultural and aquacultural products are also being shown particular interest by U.S. businessmen. They also want to export to Vietnam construction machinery and equipment, electrical and electronic products, and communications equipment.

"The Vietnamese businessmen realized the bright prospects of Vietnam-U.S. economic cooperation through the hospitality and direct, honest exchange of views by their U.S. counterparts. The U.S. businessmen condemned the U.S. trade embargo against Vietnam. They pledged that they will urge the Clinton administration to quickly lift the embargo and normalize relations with Vietnam for the benefit of the two countries.

"However, there are many obstacles ahead, namely the U.S. trade embargo against Vietnam, and restoring U.S.-Vietnam relations. Nevertheless, throughout the trip, the 26 Vietnamese businessmen acquired a lot of useful knowledge in production and business, making them become more active in economic relations with other countries, including the United States."

### **Justice Minister Receives French Counterpart**

*BK2405070793 Hanoi VNA in English 0619 GMT 24 May 93*

[Text] Hanoi VNA May 24—The first session of the orientation committee of the Vietnamese-French House of Law was held here on May 21.

The orientation committee includes 12 members, half of them Vietnamese. Its co-chairmen are Nguyen Dinh Loc, Vietnamese minister of justice, and F. Berard, president of the Chamber of Commerce at the Court of Appeal, representative of the keeper of the seal and minister of justice of France.

At the session, the committee adopted legal documentations on the organization and activities of the Vietnamese-French House of Law including personnel, regulations on activities, library rules, estimated budget and activity orientation for 1993-1994.

Activities of the Vietnamese-French House of Law are aimed at providing Vietnamese lawyers with up-to-date information on French law, and training Vietnamese lawyers.



**Commentary Views Reaction to Cambodian Elections***BK2405133293 Hanoi Voice of Vietnam in English  
1000 GMT 24 May 93*

[Station commentary]

[Text] Cambodian voters went to the poll on Sunday [23 May]. This is the first multiparty election being held in Cambodia over the past decade. Here is our radio review of the UN-sponsored election:

According to UNTAC [UN Transitional Authority in Cambodia] spokesman's report delivered at 1900 hours on 23 May, about 2 million voters went to the poll. In Phnom Penh, about 144,000 Cambodians cast their votes, accounting for 35 percent of the registered voters. And in many other provinces, the number of people went to the poll were high, for example, in Kompong Thom Province and 45 percent in Pursat Province. On the first polling day, the Khmer Rouge conducted its attacks on some polling stations. The UN-supervised election in Cambodia from 23-27 May has become a major concern of the world people because this event also tests the effectiveness of the UN operations to solve overall conflict.

The French paper LE MONDE remarked that this is trial for the world community to reestablish peace in a country which has involved in a war since 1970 and was torn by the civil war from 1975-79.

Another French paper, LIBERATION, said: The election week would be the most dangerous time for the Cambodian people and for the United Nations as well. The election not only decides the future fate of the country, but also challenges the prestige of the international community. The paper added: The results of the election would not immediately bring back peace to Cambodia. The main purpose of this election is whether the newly elected government could isolate the Khmer Rouge. (Rick Farr), Radio BBC, on Sunday held that the conditions of this election are completely different from the agreement on Cambodia signed in Paris in October 1991, as the Khmer Rouge boycotts this event.

It is predicted that the military attacks could take place near the Khmer Rouge-controlled area or there might be terrorist acts against voters.

**Government, Thailand To Cooperate in Rice Marketing***BK2405132493 Hanoi Voice of Vietnam in English  
1000 GMT 24 May 93*

[Text] Thailand, the world's largest rice exporter, and Vietnam have signed an agreement to cooperate in rice production and marketing in an effort to boost world prices. Vietnam is the world's third largest rice producer.

The two countries agreed on Thursday [as heard] to study ways to maintain rice prices through coordinated

marketing and through regularly exchanged rice production and marketing data, and establish ties between their rice-exporting associations.

**Cabinet Minister Says 2,000 State Firms Face Closure***BK2405162693 Hong Kong AFP in English 0833 GMT  
24 May 93*

[Text] Hanoi, May 24 (AFP)—Vietnam will shut down 2,000 public firms as part of a drive to force state-owned enterprises to run economically, cabinet Minister Le Xuan Trinh has announced.

The survival of 800 other public firms will be determined within the new guidelines for loss-making state-owned enterprises, he told reporters here recently, adding that some revamped companies were still losing money.

The reorganisation of the public sector will trim the number of state-owned firms from 12,000 to 10,000 initially and to between 6,000 and 7,000 in the final phase, he said.

Nearly 80 percent of public enterprises in Vietnam are facing serious financial difficulties including a lack of capital, bad management and outdated equipment, the official press said.

Since March 1988, state-owned enterprises have been in principal responsible for making a profit and face closure or privatisation if they make losses.

The closure of loss-making government-owned firms has boosted the number of unemployed in this land of 70 million people to seven million.

**Vinacontrol Private Company Developing 'Rapidly'***BK2405142993 Hanoi VNA in English 1421 GMT 24  
May 93*

[Text] Hanoi VNA May 24—Ho Chi Minh City-based Vinacontrol, an independent company of inspection and control of import-export goods, has developed rapidly since early 1989 to meet the current market-oriented economy.

Starting operations more than 30 years ago, Vinacontrol has five branch offices in Hanoi, Haiphong, Quang Ninh, Danang and Ho Chi Minh [HCM] City. Today, it has gained firm prestige from domestic and foreign clients for their good quality in offering the services covering the inspection of marine and agriculture products, foodstuff, crude oil and petroleum products, mineral raw materials, consumer products, industrial products, loss assessment and commercial consultation.

According to Mr Nguyen Trong Canh, HCM City-based Vinacontrol director, the value of export goods inspected by Vinacontrol amounts to several dozen million U.S. dollars a year. Particularly in rice export, the company



handled the inspection of from [as received] 80-90 per cent of the total export rice volume in the whole country.

By early 1993, almost 400 workers had been trained in profession or foreign languages. Its analysis centre and laboratory have been supplied with new modern machinery and equipment worth 2 billion dong. In the first four months of this year, the branch office in the city has inspected a large volume of export foods including 508,170 tonnes of rice (against 617,000 tonnes of the whole country), 52,897 tonnes of coffee, 8,942 tonnes of peanuts and 949,557 tonnes of crude oil. The Vinacontrol director also confirmed that during 17 years in operation in HCM City his company has not yet received any complaints from foreign clients.

It has been known that many foreign businessmen in their visit to Vietnam to look into the local market, and seek their partners, asked Vinacontrol to give them consultancy and inspection services. The company is now ready to provide inspection of imported goods to curb the purchase and import of obsolete equipment and machines as well as sub-standard products.

#### **Government Denies Senior Buddhist Monk Arrested**

*BK2505073293 Hong Kong AFP in English 0712 GMT  
25 May 93*

[Text] Hanoi, May 25 (AFP)—The Vietnamese Government on Tuesday [25 May] rejected claims that it had arrested a senior Buddhist monk in the central city of Hue.

Vu Quang, head of the government's religious committee, said "the Vietnamese authorities have arrested no one," adding that the monk in question was still at his temple.

On Monday, the Paris-based Vietnam Committee for the Defense of Human Rights accused Hanoi of arresting the venerable Thich Tri Tuu, superior of the Linh Mu pagoda in Hue.

A committee statement also said another monk was threatening self-immolation and twenty others had begun a hunger strike outside the People's Committee headquarters in Hue to protest against their superior's arrest and the repression of the Unified Buddhist Church by Vietnamese authorities.

According to Quang, however, the authorities had met with Thich Tri Tuu to discuss the death of a man who burned to death on the grounds of the Linh Mu pagoda last Friday.

Quang said it was still unknown whether the death was a murder or a suicide, adding that an inquiry was in progress. He said Tuu must take responsibility for the death since it occurred at his pagoda.

"Mr. Tuu declared that he did not know the identity of the dead man, but he told Mr. Vo van Ai, president of the Vietnam Committee, that the immolation was a protest against the arrest of another superior monk, Thich Hai Tang," Quang said.

The official said this charge was "totally false and malicious," adding that Tuu had recognized his "error" and "was going to take it back," since Thich Hai Tang had not been arrested.

Foreign tourists said on the weekend that they had seen a monk, aged about 40, burn himself to death at Linh Mu pagoda last Friday to protest against religious repression.

Hue radio, however, described the man as a "desperate drug addict with AIDS."

The Vietnam Committee said it was the fourth protest immolation since the end of April.

Conflict between communist authorities and Buddhists has worsened since the death a year ago of Buddhist patriarch Tich Don Hau.

Thich Tri Tuu is one of the figures at the forefront of opposition to the formation, in 1982, of the official Buddhist Church of Vietnam, which opponents claim is under Communist Party control.



**Australia****Government Presses UK To Clean Up Maralinga***BK2505060693 Melbourne Radio Australia in English  
0500 GMT 25 May 93*

[Text] The Australian Government is renewing pressure on Britain to help clean up atomic bomb test sites at Maralinga in South Australia. (Luke Lola) reports the campaign begins today with a visit to the plutonium contaminated areas and the discussions with the local people by primary industry minister, Simon Crean.

During a visit to London next month, Mr. Crean hopes to raise Australia's argument that the UK is legally and morally obliged to make a substantial contribution to a clean-up and to bear the cost of compensating the traditional landowners.

Foreign Affairs Minister Gareth Evans also plans talks on Maralinga when he visits London next month.

**Correction to Canberra, Wellington To 'Push'***BK2505000893*

The following correction pertains to the item headlined "Canberra, Wellington To 'Push' Asia-Pacific Trade", published in the 24 May East Asia DAILY REPORT, page 71:

Column one, paragraph two, second sentence, make read: ...Mr Keating's visit. He's pushed his ideas for a.... (rewording)

**Fiji****Premier Asks Cabinet To Resign for Reshuffle***BK2405062893 Melbourne Radio Australia in English  
0500 GMT 24 May 93*

[Text] The Fiji prime minister, Sitiveni Rabuka, has asked the 17 members of his cabinet to resign by the end of the month to pave the way for a reshuffle. General Rabuka is due to announce his new cabinet next Tuesday, June 1st, and THE FIJI TIMES newspaper says it is understood the number of ministers will be reduced by a third.

The newspaper says the new lineup is expected to include at least two former interim government ministers Ratu William (Tongivalu) and David (Pickering). Gen. Rabuka said last March that the new cabinet will be chosen after a review of the performances of present ministers during their first year in office.

**New Zealand****Refugees Protest Vietnamese Premier's Visit***BK2505110093 Hong Kong AFP in English 1051 GMT  
25 May 93*

[Text] Wellington, May 25 (AFP)—Around 50 former Vietnamese refugees demonstrated on the lawns of Parliament here Tuesday but were there on the wrong day to deliver their protest to visiting Vietnamese Prime Minister Vo Van Kiet who is in New Zealand.

Confusion over Kiet's programme resulted in one newspaper reporting he would be greeted outside Parliament Tuesday by New Zealand Prime Minister Jim Bolger.

But at the time of the protest Kiet was 500 kilometres (310 miles) to the north receiving a traditional Maori welcome in Rotorua.

Catholic Vietnamese chaplain Andrew Nguyen Huu Le who led the protestors said they were calling for human rights, religious freedom, and democratic government in Vietnam. There were no incidents.

Kiet, who is here with deputy Prime Minister Tran Duc Luong and a 34-strong party of officials, journalists and business people is following up a visit made to Vietnam last year by Trade Negotiations Minister Philip Burdon and about 30 New Zealand business people.

He flies to Australia late Wednesday [26 May] where more protests are expected.

Contact between the two countries has strengthened since diplomatic relations were re-established in 1989.

Last year New Zealand exports to Vietnam nearly doubled from 5.2 million to 9.8 million N.Z. dollars (2.8 million to 5.3 million U.S. dollars). Main exports were dairy products, wool and yarn, machinery and mechanical appliances.

**Forestry Industry Announces Record Earnings***BK2505093493 Hong Kong AFP in English 0926 GMT  
25 May 93*

[Text] Wellington, May 25 (AFP)—New Zealand's booming forestry industry earned a record 2.058 billion N.Z. dollars (1.11 billion U.S.) in the year to March 31, the Forest Owners' Association said here Tuesday.

A collapse of forestry in Asia and environmental based restrictions in North America have seen timber prices soar here. Most timber is pine taken from commercial and renewable plantations.

The earnings for the March 1993 year are 307 million dollars (166 million dollars) up on the year to March 1992.



Association president Murray McAlonan said the sector's performance confirmed the vital part forest industries played in the economy.

"The current figures are very encouraging and still have not reached the forest sector's full export potential," McAlonan said.

"These figures result from a harvest of some 15 million cubic metres. The current forest estate will be able to support a harvest of 25 million cubic metres by the year 2010."

The value of log and pole exports had risen by around 48 percent, sawn timber had gone up by about 16 percent and newsprint by almost 27 percent.



